
**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, 2014

OR

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

For the transition period from _____ to _____

Commission file number 1-11071

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

Pennsylvania

(State or other jurisdiction of
incorporation or organization)

23-2668356

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

460 North Gulph Road, King of Prussia, PA

(Address of principal executive offices)

19406

(Zip Code)

(610) 337-1000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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

At April 30, 2014, there were 115,080,001 shares of UGI Corporation Common Stock, without par value, outstanding.

UGI CORPORATION AND SUBSIDIARIES

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CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(Millions of dollars)

	March 31, 2014	September 30, 2013	March 31, 2013 (Restated, See Note 3)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 493.6	\$ 389.3	\$ 446.3
Restricted cash	4.4	8.3	2.8
Accounts receivable (less allowances for doubtful accounts of \$57.9, \$39.5 and \$47.1, respectively)	1,323.3	745.6	1,124.8
Accrued utility revenues	49.7	18.9	48.9
Inventories	324.4	365.5	292.4
Deferred income taxes	10.8	10.6	14.9
Utility regulatory assets	4.2	8.2	1.1
Derivative financial instruments	22.2	23.8	17.3
Prepaid expenses and other current assets	48.5	57.1	53.5
Total current assets	2,281.1	1,627.3	2,002.0
Property, plant and equipment, at cost (less accumulated depreciation and amortization of \$2,637.8, \$2,560.3 and \$2,419.4, respectively)	4,519.1	4,480.2	4,285.4
Goodwill	2,886.0	2,871.0	2,813.8
Intangible assets, net	608.2	610.6	629.9
Other assets	426.1	419.7	484.3
Total assets	\$ 10,720.5	\$ 10,008.8	\$ 10,215.4
LIABILITIES AND EQUITY			
Current liabilities:			
Current maturities of long-term debt	\$ 65.0	\$ 67.2	\$ 162.4
Bank loans	260.1	227.9	177.7
Accounts payable	634.1	472.3	583.4
Derivative financial instruments	27.5	30.0	51.0
Other current liabilities	668.6	627.5	642.8
Total current liabilities	1,655.3	1,424.9	1,617.3
Long-term debt	3,548.6	3,542.2	3,340.5
Deferred income taxes	984.4	962.3	918.7
Deferred investment tax credits	4.1	4.3	4.4
Other noncurrent liabilities	526.0	527.2	615.7
Total liabilities	6,718.4	6,460.9	6,496.6
Commitments and contingencies (Note 10)			
Equity:			
UGI Corporation stockholders' equity:			
UGI Common Stock, without par value (authorized—300,000,000 shares; issued — 115,819,694, 115,783,794 and 115,683,494 shares, respectively)	1,215.6	1,208.1	1,185.9
Retained earnings	1,579.9	1,308.3	1,378.0
Accumulated other comprehensive income (loss)	24.3	8.4	(46.5)
Treasury stock, at cost	(24.6)	(32.3)	(29.7)
Total UGI Corporation stockholders' equity	2,795.2	2,492.5	2,487.7
Noncontrolling interests, principally in AmeriGas Partners	1,206.9	1,055.4	1,231.1
Total equity	4,002.1	3,547.9	3,718.8
Total liabilities and equity	\$ 10,720.5	\$ 10,008.8	\$ 10,215.4

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2014	2013 (Restated, See Note 3)	2014	2013 (Restated, See Note 3)
Revenues	\$ 3,163.3	\$ 2,542.7	\$ 5,479.2	\$ 4,561.4
Costs and expenses:				
Cost of sales (excluding depreciation shown below)	2,001.3	1,486.7	3,431.2	2,702.2
Operating and administrative expenses	492.0	461.5	923.5	888.4
Utility taxes other than income taxes	4.8	4.7	9.0	9.0
Depreciation	76.8	74.0	155.4	146.5
Amortization	10.9	15.6	26.3	30.9
Other income, net	(11.1)	(7.5)	(18.5)	(17.5)
	<u>2,574.7</u>	<u>2,035.0</u>	<u>4,526.9</u>	<u>3,759.5</u>
Operating income	588.6	507.7	952.3	801.9
Income from equity investees	—	0.1	—	0.1
Interest expense	(59.5)	(60.1)	(118.8)	(121.6)
Income before income taxes	529.1	447.7	833.5	680.4
Income tax expense	(141.3)	(106.0)	(228.2)	(170.9)
Net income	387.8	341.7	605.3	509.5
Deduct net income attributable to noncontrolling interests, principally in AmeriGas Partners	(173.4)	(161.0)	(268.9)	(226.3)
Net income attributable to UGI Corporation	<u>\$ 214.4</u>	<u>\$ 180.7</u>	<u>\$ 336.4</u>	<u>\$ 283.2</u>
Earnings per common share attributable to UGI Corporation stockholders:				
Basic	<u>\$ 1.86</u>	<u>\$ 1.59</u>	<u>\$ 2.93</u>	<u>\$ 2.50</u>
Diluted	<u>\$ 1.84</u>	<u>\$ 1.57</u>	<u>\$ 2.89</u>	<u>\$ 2.47</u>
Average common shares outstanding (thousands):				
Basic	<u>115,173</u>	<u>113,709</u>	<u>114,996</u>	<u>113,416</u>
Diluted	<u>116,747</u>	<u>115,199</u>	<u>116,526</u>	<u>114,829</u>
Dividends declared per common share	<u>\$ 0.2825</u>	<u>\$ 0.27</u>	<u>\$ 0.5650</u>	<u>\$ 0.54</u>

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (unaudited)
 (Millions of dollars)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2014	2013 (Restated, See Note 3)	2014	2013 (Restated, See Note 3)
Net income	\$ 387.8	\$ 341.7	\$ 605.3	\$ 509.5
Other comprehensive income (loss):				
Net gains on derivative instruments (net of tax of \$0.4, \$(4.4), \$(7.1) and \$(3.0), respectively)	6.3	5.7	46.8	0.4
Reclassifications of net (gains) losses on derivative instruments (net of tax of \$3.3, \$(4.2), \$5.3 and \$(7.7), respectively)	(31.4)	25.2	(45.2)	42.6
Foreign currency adjustments (net of tax of \$0.6, \$8.2, \$(3.1) and \$4.2, respectively)	(0.6)	(23.6)	11.7	(7.5)
Benefit plans (net of tax of \$(0.1), \$(0.3), \$0.0 and \$(0.5), respectively)	0.2	0.5	0.6	0.8
Other comprehensive (loss) income	(25.5)	7.8	13.9	36.3
Comprehensive income	362.3	349.5	619.2	545.8
Deduct comprehensive income attributable to noncontrolling interests, principally in AmeriGas Partners	(155.8)	(178.0)	(266.9)	(253.9)
Comprehensive income attributable to UGI Corporation	\$ 206.5	\$ 171.5	\$ 352.3	\$ 291.9

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (unaudited)
 (Millions of dollars)

	Six Months Ended March 31,	
	2014	2013 (Restated, See Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 605.3	\$ 509.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	181.7	177.4
Deferred income taxes, net	13.0	19.4
Provision for uncollectible accounts	31.4	17.8
Unrealized losses (gains) on derivative instruments	8.0	(5.8)
Other, net	(6.8)	11.5
Net change in:		
Accounts receivable and accrued utility revenues	(632.5)	(555.2)
Inventories	43.0	61.7
Utility deferred fuel and power costs, net of changes in unsettled derivatives	(10.2)	33.3
Accounts payable	194.1	176.4
Other current assets	3.6	35.5
Other current liabilities	52.4	(0.7)
Net cash provided by operating activities	483.0	480.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(224.4)	(184.8)
Acquisitions of businesses, net of cash acquired	(21.3)	(23.5)
Decrease in restricted cash	3.9	0.2
Other, net	4.5	2.2
Net cash used by investing activities	(237.3)	(205.9)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends on UGI Common Stock	(64.8)	(61.2)
Distributions on AmeriGas Partners Common Units	(116.1)	(110.5)
Issuances of debt	175.1	—
Repayments of debt	(182.8)	(9.5)
Increase in bank loans	51.5	1.6
Receivables Facility net (repayments) borrowings	(19.5)	11.0
Issuances of UGI Common Stock	10.3	19.1
Repurchases of UGI Common Stock	(4.5)	—
Other	5.4	4.5
Net cash used by financing activities	(145.4)	(145.0)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	4.0	(3.5)
Cash and cash equivalents increase	\$ 104.3	\$ 126.4
Cash and cash equivalents:		
End of period	\$ 493.6	\$ 446.3
Beginning of period	389.3	319.9
Increase	\$ 104.3	\$ 126.4

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 (unaudited)
 (Millions of dollars)

	Six Months Ended March 31,	
	2014	2013 (Restated, See Note 3)
Common stock, without par value		
Balance, beginning of period	\$ 1,208.1	\$ 1,157.7
Common Stock issued in connection with employee and director plans (including gains (losses) on treasury stock transactions), net of tax withheld	(5.2)	15.5
Dividend reinvestment plan	—	1.0
Excess tax benefits realized on equity-based compensation	5.9	4.7
Stock-based compensation expense	6.8	7.0
Balance, end of period	<u>\$ 1,215.6</u>	<u>\$ 1,185.9</u>
Retained earnings		
Balance, beginning of period	\$ 1,308.3	\$ 1,156.0
Net income attributable to UGI Corporation	336.4	283.2
Cash dividends on Common Stock	(64.8)	(61.2)
Balance, end of period	<u>\$ 1,579.9</u>	<u>\$ 1,378.0</u>
Accumulated other comprehensive income (loss)		
Balance, beginning of period	\$ 8.4	\$ (55.2)
Net gains on derivative instruments, net of tax	13.5	4.0
Reclassification of net (gains) losses on derivative instruments, net of tax	(9.9)	11.4
Benefit plans, net of tax	0.6	0.8
Foreign currency, net of tax	11.7	(7.5)
Balance, end of period	<u>\$ 24.3</u>	<u>\$ (46.5)</u>
Treasury stock		
Balance, beginning of period	\$ (32.3)	\$ (28.7)
Common Stock issued in connection with employee and director plans, net of tax withheld	29.9	17.2
Dividend reinvestment plan	—	0.5
Repurchases of common stock	(4.5)	—
Reacquired common stock - employee and director plans	(17.7)	(18.7)
Balance, end of period	<u>\$ (24.6)</u>	<u>\$ (29.7)</u>
Total UGI Corporation stockholders' equity	<u>\$ 2,795.2</u>	<u>\$ 2,487.7</u>
Noncontrolling interests		
Balance, beginning of period	\$ 1,055.4	\$ 1,085.6
Net income attributable to noncontrolling interests, principally in AmeriGas Partners	268.9	226.3
Net gains (losses) on derivative instruments	33.3	(3.6)
Reclassification of net (gains) losses on derivative instruments	(35.3)	31.2
Dividends and distributions	(116.1)	(110.7)
Other	0.7	2.3
Balance, end of period	<u>\$ 1,206.9</u>	<u>\$ 1,231.1</u>
Total equity	<u>\$ 4,002.1</u>	<u>\$ 3,718.8</u>

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

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

1. Nature of Operations

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

We conduct a domestic retail propane marketing and distribution business through AmeriGas Partners, L.P. (“AmeriGas Partners”). AmeriGas Partners is a publicly traded limited partnership that conducts a national propane distribution business through its principal operating subsidiary AmeriGas Propane, L.P. (“AmeriGas OLP”) and, prior to its merger with AmeriGas OLP on July 1, 2013 (the “Merger”), AmeriGas OLP’s principal operating subsidiary Heritage Operating, L.P. (“HOLP”). AmeriGas OLP after the Merger, and AmeriGas OLP and HOLP prior to the Merger, are collectively referred to herein as the “Operating Partnership.” AmeriGas Partners and AmeriGas OLP are Delaware limited partnerships. UGI’s wholly owned second-tier subsidiary, AmeriGas Propane, Inc. (the “General Partner”), serves as the general partner of AmeriGas Partners and AmeriGas OLP. We refer to AmeriGas Partners and its subsidiaries together as the “Partnership” and the General Partner and its subsidiaries, including the Partnership, as “AmeriGas Propane.” At March 31, 2014, the General Partner held a 1% general partner interest and 25.3% limited partner interest in AmeriGas Partners and an effective 27.1% ownership interest in AmeriGas OLP. Our limited partnership interest in AmeriGas Partners comprises 23,756,882 AmeriGas Partners Common Units (“Common Units”). The remaining 73.7% interest in AmeriGas Partners at March 31, 2014, comprises 69,109,914 publicly held Common Units of which 12,867,362 Common Units are held by a subsidiary of Energy Transfer Partners, L.P. (“ETP”) as a result of the January 12, 2012, acquisition of substantially all of ETP’s propane operations (“Heritage Propane”). In January 2014, ETP sold 9,200,000 of the Common Units it held in an underwritten public offering, pursuant to its registration rights in its unitholder agreement. AmeriGas Partners did not receive any proceeds from the sale of the Common Units by ETP.

Our wholly owned subsidiary, UGI Enterprises, Inc. (“Enterprises”), through subsidiaries conducts (1) an LPG distribution business in France, Belgium, the Netherlands and Luxembourg (“Antargaz”); (2) an LPG distribution business in central, northern and eastern Europe (“Flaga”); (3) an LPG distribution business in the United Kingdom (“AvantiGas”); and (4) an LPG distribution business in the Nantong region of China. We refer to our foreign LPG operations collectively as “UGI International.”

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

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

2. Significant Accounting Policies

Our condensed consolidated financial statements include the accounts of UGI and its controlled subsidiary companies which, except for the Partnership, are majority owned. We report the public’s and ETP’s limited partner interests in the Partnership, and

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

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

outside ownership interests in other consolidated but less than 100%-owned subsidiaries, as noncontrolling interests. We eliminate all significant intercompany accounts and transactions when we consolidate. Entities in which we do not have control but have significant influence over operating and financial policies are accounted for by the equity method. Investments in business entities that are not publicly traded and in which we hold less than 20% of voting rights are accounted for using the cost method. Undivided interests in natural gas production assets and an electricity generation facility are consolidated on a proportionate basis.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They include all adjustments that we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2013, condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

These financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the year ended September 30, 2013 ("Company's 2013 Annual Financial Statements and Notes"). Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

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

Earnings Per Common Share. Basic earnings per share attributable to UGI Corporation shareholders reflect the weighted-average number of common shares outstanding. Diluted earnings per share attributable to UGI Corporation include the effects of dilutive stock options and common stock awards.

Shares used in computing basic and diluted earnings per share are as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2014	2013	2014	2013
Denominator (thousands of shares):				
Average common shares outstanding for basic computation	115,173	113,709	114,996	113,416
Incremental shares issuable for stock options and awards	1,574	1,490	1,530	1,413
Average common shares outstanding for diluted computation	116,747	115,199	116,526	114,829

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

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Notes to Condensed Consolidated Financial Statements

(unaudited)

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

Changes in accumulated other comprehensive income (“AOCI”) during the three and six months ended March 31, 2014, are as follows:

Three Months Ended March 31, 2014:

	Postretirement Benefit Plans	Derivative Instruments	Foreign Currency	Total
Balance, December 31, 2013	\$ (16.0)	\$ (15.8)	\$ 64.0	\$ 32.2
Other comprehensive income (loss) before reclassification adjustments (after-tax)	—	6.3	(0.6)	5.7
Amounts reclassified from AOCI and noncontrolling interests:				
Reclassification adjustments (pre-tax)	0.3	(34.7)	—	(34.4)
Reclassification adjustments tax (expense) benefit	(0.1)	3.3	—	3.2
Reclassification adjustments (after-tax)	0.2	(31.4)	—	(31.2)
Other comprehensive income (loss)	0.2	(25.1)	(0.6)	(25.5)
Add comprehensive loss attributable to noncontrolling interests, principally in AmeriGas Partners	—	17.6	—	17.6
Other comprehensive income (loss) attributable to UGI	0.2	(7.5)	(0.6)	(7.9)
Balance, March 31, 2014	\$ (15.8)	\$ (23.3)	\$ 63.4	\$ 24.3

Six Months Ended March 31, 2014:

	Postretirement Benefit Plans	Derivative Instruments	Foreign Currency	Total
Balance, September 30, 2013	\$ (16.4)	\$ (26.9)	\$ 51.7	\$ 8.4
Other comprehensive income before reclassification adjustments (after-tax)	—	46.8	11.7	58.5
Amounts reclassified from AOCI and noncontrolling interests:				
Reclassification adjustments (pre-tax)	0.6	(50.5)	—	(49.9)
Reclassification adjustments tax (expense) benefit	—	5.3	—	5.3
Reclassification adjustments (after-tax)	0.6	(45.2)	—	(44.6)
Other comprehensive income	0.6	1.6	11.7	13.9
Add comprehensive loss attributable to noncontrolling interests, principally in AmeriGas Partners	—	2.0	—	2.0
Other comprehensive income attributable to UGI	0.6	3.6	11.7	15.9
Balance, March 31, 2014	\$ (15.8)	\$ (23.3)	\$ 63.4	\$ 24.3

For additional information on amounts reclassified from AOCI relating to derivative instruments see Note 12 to condensed consolidated financial statements.

Income Taxes. In December 2013, the French Parliament approved the Finance Bill for 2014 and amended the Finance Bill for 2013 (collectively, the “Finance Bills”). Among other things, the Finance Bills limit Antargaz’ ability to deduct interest expense for income tax purposes on certain intercompany debt and temporarily increases the corporate surtax rate for a period of two years. Based upon our review of the Finance Bills and interpretive guidance currently available, provisions of the Finance Bills associated with the deductibility of interest expense on certain intercompany debt at Antargaz applies retroactively to such interest expense incurred during Fiscal 2013. In December 2013, the Company recorded additional income taxes of \$5.7 to reflect the effects of the retroactive provisions of the Finance Bills associated with the deductibility of interest expense on certain intercompany debt.

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

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Notes to Condensed Consolidated Financial Statements

(unaudited)

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

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.

3. Restatements of Condensed Consolidated Financial Statements

During the preparation of the Fiscal 2013 consolidated financial statements, management concluded that it had incorrectly accounted for certain commodity derivative instruments as cash flow hedges. Management had incorrectly applied the hedge accounting criteria when designating certain commodity derivative instruments at its Midstream & Marketing businesses as cash flow hedges. Management has discontinued the use of hedge accounting for Midstream & Marketing's commodity derivative instruments and reports changes in the fair values of unsettled commodity derivative instruments, and gains and losses on settled commodity derivatives for which the associated forecasted transaction has not yet occurred, in net income.

The Company had previously determined that the impact of the error was material to the Company's historical condensed consolidated statements of income for the three months ended March 31, 2013. Accordingly, the accompanying condensed consolidated financial statements as of March 31, 2013, and for the three and six months ended March 31, 2013, have been restated to report changes in the fair values of unsettled commodity derivative instruments and gains and losses on settled commodity derivative instruments for which the associated forecasted transactions have not yet occurred in cost of sales or revenues in the Condensed Consolidated Statement of Income rather than in other comprehensive income.

The following tables set forth the effects of the restatement on the affected line items within the Company's previously reported condensed consolidated financial statements as of and for the three and six months ended March 31, 2013. Also included in the adjustment columns in the tables below are certain other immaterial corrections that the Company made, including, but not limited to, adjustments to correct the Partnership's accounting for certain customer credits and to correct the classification of deferred income tax assets, as well as certain other minor adjustments related principally to the timing of certain expense and income accruals.

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Notes to Condensed Consolidated Financial Statements

(unaudited)

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

Condensed Consolidated Balance Sheet

	March 31, 2013		
	As Previously Reported	Adjustment	As Restated
Assets:			
Deferred income taxes	\$ 35.9	\$ (21.0)	\$ 14.9
Prepaid expenses and other current assets	\$ 52.1	\$ 1.4	\$ 53.5
Property, plant and equipment	\$ 4,286.7	\$ (1.3)	\$ 4,285.4
Liabilities and equity:			
Other current liabilities	\$ 644.2	\$ (1.4)	\$ 642.8
Deferred income taxes	\$ 941.4	\$ (22.7)	\$ 918.7
Other noncurrent liabilities	\$ 614.0	\$ 1.7	\$ 615.7
Retained earnings	\$ 1,379.4	\$ (1.4)	\$ 1,378.0
Accumulated other comprehensive loss	\$ (45.6)	\$ (0.9)	\$ (46.5)
Noncontrolling interests	\$ 1,227.3	\$ 3.8	\$ 1,231.1

Condensed Consolidated Statement of Income

	For the three months ended March 31, 2013			For the six months ended March 31, 2013		
	As Previously Reported	Adjustment	As Restated	As Previously Reported	Adjustment	As Restated
Revenues	\$ 2,537.1	\$ 5.6	\$ 2,542.7	\$ 4,560.3	\$ 1.1	\$ 4,561.4
Cost of sales	\$ 1,500.6	\$ (13.9)	\$ 1,486.7	\$ 2,719.4	\$ (17.2)	\$ 2,702.2
Operating and administrative expenses	\$ 465.8	\$ (4.3)	\$ 461.5	\$ 892.7	\$ (4.3)	\$ 888.4
Depreciation	\$ 71.7	\$ 2.3	\$ 74.0	\$ 143.5	\$ 3.0	\$ 146.5
Operating income	\$ 486.2	\$ 21.5	\$ 507.7	\$ 782.3	\$ 19.6	\$ 801.9
Interest expense	\$ (60.1)	\$ —	\$ (60.1)	\$ (120.4)	\$ (1.2)	\$ (121.6)
Income before income taxes	\$ 426.2	\$ 21.5	\$ 447.7	\$ 662.0	\$ 18.4	\$ 680.4
Income taxes	\$ (100.0)	\$ (6.0)	\$ (106.0)	\$ (165.1)	\$ (5.8)	\$ (170.9)
Net income	\$ 326.2	\$ 15.5	\$ 341.7	\$ 496.9	\$ 12.6	\$ 509.5
Deduct net income attributable to noncontrolling interests	\$ (154.3)	\$ (6.7)	\$ (161.0)	\$ (222.4)	\$ (3.9)	\$ (226.3)
Net income attributable to UGI Corporation	\$ 171.9	\$ 8.8	\$ 180.7	\$ 274.5	\$ 8.7	\$ 283.2
Basic earnings per common share	\$ 1.51		\$ 1.59	\$ 2.42		\$ 2.50
Diluted earnings per common share	\$ 1.49		\$ 1.57	\$ 2.39		\$ 2.47

UGI CORPORATION AND SUBSIDIARIES
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Condensed Consolidated Statement of Comprehensive Income

	For the three months ended March 31, 2013			For the six months ended March 31, 2013		
	As Previously Reported	Adjustment	As Restated	As Previously Reported	Adjustment	As Restated
Net income	\$ 326.2	\$ 15.5	\$ 341.7	\$ 496.9	\$ 12.6	\$ 509.5
Net gains (losses) on derivative instruments	\$ 9.2	\$ (3.5)	\$ 5.7	\$ (0.1)	\$ 0.5	\$ 0.4
Reclassifications of net losses on derivative instruments	\$ 29.0	\$ (3.8)	\$ 25.2	\$ 50.8	\$ (8.2)	\$ 42.6
Other comprehensive income	\$ 15.1	\$ (7.3)	\$ 7.8	\$ 44.0	\$ (7.7)	\$ 36.3
Comprehensive income	\$ 341.3	\$ 8.2	\$ 349.5	\$ 540.9	\$ 4.9	\$ 545.8
Deduct comprehensive income attributable to noncontrolling interests	\$ (171.3)	\$ (6.7)	\$ (178.0)	\$ (250.0)	\$ (3.9)	\$ (253.9)
Comprehensive income attributable to UGI Corporation	\$ 170.0	\$ 1.5	\$ 171.5	\$ 290.9	\$ 1.0	\$ 291.9

Condensed Consolidated Statements of Cash Flows

	For the six months ended March 31, 2013		
	As Previously Reported	Adjustment	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 496.9	\$ 12.6	\$ 509.5
Depreciation and amortization	\$ 174.4	\$ 3.0	\$ 177.4
Deferred income taxes, net	\$ 18.8	\$ 0.6	\$ 19.4
Net change in realized gains and losses deferred as cash flow hedges	\$ 8.3	\$ (8.3)	\$ —
Unrealized gains on derivative instruments	\$ —	\$ (5.8)	\$ (5.8)
Other, net	\$ 7.1	\$ 4.4	\$ 11.5
Net change in:			
Accounts receivable and accrued utility revenues	\$ (550.1)	\$ (5.1)	\$ (555.2)
Inventories	\$ 64.5	\$ (2.8)	\$ 61.7
Accounts payable	\$ 175.0	\$ 1.4	\$ 176.4

Condensed Consolidated Statements of Changes in Equity

	For the six months ended March 31, 2013		
	As Previously Reported	Adjustment	As Restated
Retained earnings	\$ 1,379.4	\$ (1.4)	\$ 1,378.0
Accumulated other comprehensive loss	\$ (45.6)	\$ (0.9)	\$ (46.5)
Noncontrolling interests	\$ 1,227.3	\$ 3.8	\$ 1,231.1

UGI CORPORATION AND SUBSIDIARIES

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4. Accounting Changes

Adoption of New Accounting Standards

Disclosures about Reclassifications Out of Accumulated Other Comprehensive Income. In Fiscal 2014, the Company adopted new accounting guidance regarding disclosures for items reclassified out of AOCI. The disclosures required by the new accounting guidance are included in Note 2 and Note 12 to the condensed consolidated financial statements. The new disclosures are applied prospectively. As this guidance only affects disclosure requirements, the adoption of this guidance did not impact our results of operations, cash flows or financial position.

Disclosures about Offsetting Assets and Liabilities. Effective October 1, 2013, the Company adopted new accounting guidance requiring entities to disclose both gross and net information about recognized derivative instruments that are offset on the balance sheet as a result of an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset on the balance sheet. The new disclosures are applied retroactively to all periods presented. The required disclosures are included in Note 11 to the condensed consolidated financial statements. As this guidance only affects disclosure requirements, the adoption of this guidance did not impact our results of operations, cash flows or financial position.

5. Goodwill and Intangible Assets

Goodwill and intangible assets comprise the following:

	March 31, 2014	September 30, 2013	March 31, 2013
Goodwill (not subject to amortization)	\$ 2,886.0	\$ 2,871.0	\$ 2,813.8
Intangible assets:			
Customer relationships, noncompete agreements and other	\$ 727.5	\$ 706.4	\$ 690.0
Trademarks and tradenames (not subject to amortization)	132.3	131.3	137.0
Gross carrying amount	859.8	837.7	827.0
Accumulated amortization	(251.6)	(227.1)	(197.1)
Intangible assets, net	\$ 608.2	\$ 610.6	\$ 629.9

We amortize customer relationship and noncompete agreement intangible assets over their estimated periods of benefit which do not exceed 15 years. Amortization expense of intangible assets was \$8.9 and \$22.2 in the three and six months ended March 31, 2014, respectively. Amortization expense of intangible assets was \$13.6 and \$26.9 in the three and six months ended March 31, 2013, respectively. No amortization is included in cost of sales in the Condensed Consolidated Statements of Income. As of March 31, 2014, our expected aggregate amortization expense of intangible assets for the remainder of Fiscal 2014 and for the next four fiscal years is as follows: remainder of Fiscal 2014 — \$26.3; Fiscal 2015 — \$49.9; Fiscal 2016 — \$43.5; Fiscal 2017 — \$36.9; Fiscal 2018 — \$35.6.

UGI CORPORATION AND SUBSIDIARIES

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6. Segment Information

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

The accounting policies of our reportable segments are the same as those described in Note 2, “Significant Accounting Policies” in the Company’s 2013 Annual Financial Statements and Notes. We evaluate AmeriGas Propane’s performance principally based upon the Partnership’s earnings before interest expense, income taxes, depreciation and amortization (“Partnership EBITDA”). Although we use Partnership EBITDA to evaluate AmeriGas Propane’s profitability, it should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under GAAP. Our definition of Partnership EBITDA may be different from that used by other companies. We evaluate the performance of our other reportable segments principally based upon their income before income taxes.

Three Months Ended March 31, 2014:

	Total	Eliminations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
Revenues	\$ 3,163.3	\$ (164.7) (c)	\$ 1,493.7	\$ 480.1	\$ 588.9	\$ 25.1	\$ 412.0	\$ 277.2	\$ 51.0
Cost of sales	\$ 2,001.3	\$ (164.0) (c)	\$ 885.5	\$ 278.8	\$ 457.9	\$ 9.4	\$ 266.7	\$ 222.7	\$ 44.3
Segment profit:									
Operating income (loss)	\$ 588.6	\$ 0.2	\$ 284.8	\$ 134.5	\$ 111.5	\$ 9.9	\$ 52.9	\$ 10.9	\$ (16.1)
Income from equity investees	—	—	—	—	—	—	—	—	—
Interest expense	(59.5)	—	(42.0)	(8.4)	(1.0)	—	(6.4)	(1.1)	(0.6)
Income (loss) before income taxes	\$ 529.1	\$ 0.2	\$ 242.8	\$ 126.1	\$ 110.5	\$ 9.9	\$ 46.5	\$ 9.8	\$ (16.7)
Partnership EBITDA (a)			\$ 331.3						
Noncontrolling interests’ net income	\$ 173.4	\$ —	\$ 173.2	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ —
Depreciation and amortization	\$ 87.7	\$ (0.1)	\$ 49.2	\$ 13.6	\$ 3.2	\$ 2.7	\$ 10.3	\$ 7.2	\$ 1.6
Capital expenditures	\$ 85.3	\$ —	\$ 27.7	\$ 30.0	\$ 8.4	\$ 1.8	\$ 11.3	\$ 4.2	\$ 1.9
Total assets (at period end)	\$ 10,720.5	\$ (116.3)	\$ 4,692.3	\$ 2,195.4	\$ 643.2	\$ 283.9	\$ 1,923.2	\$ 660.4	\$ 438.4
Bank loans (at period end)	\$ 260.1	\$ —	\$ 198.0	\$ 6.5	\$ 51.5	\$ —	\$ —	\$ 4.1	\$ —
Goodwill (at period end)	\$ 2,886.0	\$ —	\$ 1,939.0	\$ 182.1	\$ 2.8	\$ —	\$ 655.3	\$ 99.8	\$ 7.0

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Three Months Ended March 31, 2013:

	Total	Eliminations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
Revenues	\$ 2,542.7	\$ (61.1) (c)	\$ 1,183.3	\$ 368.6	\$ 304.0	\$ 17.4	\$ 452.6	\$ 230.9	\$ 47.0
Cost of sales	\$ 1,486.7	\$ (58.8) (c)	\$ 612.4	\$ 196.7	\$ 246.1	\$ 10.9	\$ 285.8	\$ 177.4	\$ 16.2
Segment profit:									
Operating income	\$ 507.7	\$ (0.9)	\$ 266.4	\$ 105.7	\$ 44.4	\$ 0.6	\$ 67.8	\$ 13.8	\$ 9.9
Income from equity investees	0.1	—	—	—	—	—	0.1	—	—
Interest expense	(60.1)	—	(41.8)	(9.3)	(0.8)	—	(6.3)	(1.3)	(0.6)
Income before income taxes	\$ 447.7	\$ (0.9)	\$ 224.6	\$ 96.4	\$ 43.6	\$ 0.6	\$ 61.6	\$ 12.5	\$ 9.3
Partnership EBITDA (a)			\$ 314.9						
Noncontrolling interests' net income	\$ 161.0	\$ —	\$ 160.7	\$ —	\$ —	\$ —	\$ 0.3	\$ —	\$ —
Depreciation and amortization	\$ 89.6	\$ —	\$ 50.9	\$ 12.7	\$ 1.9	\$ 2.4	\$ 14.2	\$ 5.8	\$ 1.7
Capital expenditures	\$ 93.6	\$ (1.0)	\$ 27.9	\$ 24.4	\$ 19.3	\$ 4.2	\$ 13.2	\$ 4.1	\$ 1.5
Total assets (at period end)	\$ 10,215.4	\$ (110.8)	\$ 4,682.6	\$ 2,184.8	\$ 450.4	\$ 261.7	\$ 1,847.7	\$ 551.3	\$ 347.7
Bank loans (at period end)	\$ 177.7	\$ —	\$ 115.9	\$ —	\$ 47.0	\$ —	\$ —	\$ 14.8	\$ —
Goodwill (at period end)	\$ 2,813.8	\$ —	\$ 1,919.2	\$ 182.1	\$ 2.8	\$ —	\$ 610.0	\$ 92.7	\$ 7.0

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

Three Months Ended March 31,	2014	2013
Partnership EBITDA	\$ 331.3	\$ 314.9
Depreciation and amortization	(49.2)	(50.9)
Noncontrolling interests (i)	2.7	2.4
Operating income	\$ 284.8	\$ 266.4

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

(b) Corporate & Other results principally comprise (1) Electric Utility, (2) Enterprises' heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses ("HVAC"), (3) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and gains and losses on settled commodity derivative instruments not associated with current period transactions, (4) net expenses of UGI's captive general liability insurance company, and (5) UGI Corporation's unallocated corporate and general expenses and interest income. Corporate & Other assets principally comprise cash, short-term investments, the assets of Electric Utility and HVAC, and an intercompany loan. The intercompany loan and associated interest is removed in the segment presentation.

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

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Six Months Ended March 31, 2014:

	Total	Elim- inations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
Revenues	\$ 5,479.2	\$ (230.2) (c)	\$ 2,539.5	\$ 751.7	\$ 861.6	\$ 45.9	\$ 837.3	\$ 570.5	\$ 102.9
Cost of sales	\$ 3,431.2	\$ (228.4) (c)	\$ 1,468.2	\$ 414.3	\$ 685.0	\$ 20.0	\$ 549.2	\$ 454.4	\$ 68.5
Segment profit:									
Operating income (loss)	\$ 952.3	\$ 0.1	\$ 464.5	\$ 216.6	\$ 143.3	\$ 14.3	\$ 96.1	\$ 24.6	\$ (7.2)
Income from equity investees	—	—	—	—	—	—	—	—	—
Interest expense	(118.8)	—	(83.6)	(16.8)	(2.0)	—	(12.8)	(2.4)	(1.2)
Income (loss) before income taxes	\$ 833.5	\$ 0.1	\$ 380.9	\$ 199.8	\$ 141.3	\$ 14.3	\$ 83.3	\$ 22.2	\$ (8.4)
Partnership EBITDA (a)			\$ 561.5						
Noncontrolling interests' net income	\$ 268.9	\$ —	\$ 268.6	\$ —	\$ —	\$ —	\$ 0.3	\$ —	\$ —
Depreciation and amortization	\$ 181.7	\$ (0.1)	\$ 101.5	\$ 27.0	\$ 5.8	\$ 5.3	\$ 25.3	\$ 13.8	\$ 3.1
Capital expenditures	\$ 188.1	\$ (1.2)	\$ 51.0	\$ 62.9	\$ 30.1	\$ 11.1	\$ 21.1	\$ 8.8	\$ 4.3
Total assets (at period end)	\$ 10,720.5	\$ (116.3)	\$ 4,692.3	\$ 2,195.4	\$ 643.2	\$ 283.9	\$ 1,923.2	\$ 660.4	\$ 438.4
Bank loans (at period end)	\$ 260.1	\$ —	\$ 198.0	\$ 6.5	\$ 51.5	\$ —	\$ —	\$ 4.1	\$ —
Goodwill (at period end)	\$ 2,886.0	\$ —	\$ 1,939.0	\$ 182.1	\$ 2.8	\$ —	\$ 655.3	\$ 99.8	\$ 7.0

UGI CORPORATION AND SUBSIDIARIES
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Six Months Ended March 31, 2013:

	Total	Eliminations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
Revenues	\$ 4,561.4	\$ (119.6) (c)	\$ 2,055.2	\$ 616.9	\$ 531.8	\$ 32.4	\$ 871.9	\$ 476.5	\$ 96.3
Cost of sales	\$ 2,702.2	\$ (116.1) (c)	\$ 1,061.7	\$ 320.3	\$ 435.6	\$ 20.5	\$ 565.7	\$ 372.3	\$ 42.2
Segment profit:									
Operating income (loss)	\$ 801.9	\$ (0.9)	\$ 403.7	\$ 175.5	\$ 70.1	\$ 0.8	\$ 115.3	\$ 24.1	\$ 13.3
Income (loss) from equity investees	0.1	—	—	—	—	—	0.1	—	—
Interest expense	(121.6)	—	(84.2)	(18.9)	(1.8)	—	(12.8)	(2.6)	(1.3)
Income (loss) before income taxes	\$ 680.4	\$ (0.9)	\$ 319.5	\$ 156.6	\$ 68.3	\$ 0.8	\$ 102.6	\$ 21.5	\$ 12.0
Partnership EBITDA (a)			\$ 500.8						
Noncontrolling interests' net income	\$ 226.3	\$ —	\$ 225.9	\$ —	\$ —	\$ —	\$ 0.4	\$ —	\$ —
Depreciation and amortization	\$ 177.4	\$ —	\$ 101.0	\$ 25.3	\$ 3.5	\$ 4.9	\$ 28.3	\$ 11.3	\$ 3.1
Capital expenditures	\$ 184.8	\$ (1.1)	\$ 54.4	\$ 52.9	\$ 32.8	\$ 11.0	\$ 25.4	\$ 6.3	\$ 3.1
Total assets (at period end)	\$ 10,215.4	\$ (110.8)	\$ 4,682.6	\$ 2,184.8	\$ 450.4	\$ 261.7	\$ 1,847.7	\$ 551.3	\$ 347.7
Bank loans (at period end)	\$ 177.7	\$ —	\$ 115.9	\$ —	\$ 47.0	\$ —	\$ —	\$ 14.8	\$ —
Goodwill (at period end)	\$ 2,813.8	\$ —	\$ 1,919.2	\$ 182.1	\$ 2.8	\$ —	\$ 610.0	\$ 92.7	\$ 7.0

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

Six Months Ended March 31,	2014	2013
Partnership EBITDA	\$ 561.5	\$ 500.8
Depreciation and amortization	(101.5)	(101.0)
Noncontrolling interests (i)	4.5	3.9
Operating income	\$ 464.5	\$ 403.7

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

(b) Corporate & Other results principally comprise (1) Electric Utility, (2) HVAC, (3) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and gains and losses on settled commodity derivative instruments not associated with current period transactions, (4) net expenses of UGI's captive general liability insurance company, and (5) UGI Corporation's unallocated corporate and general expenses and interest income. Corporate & Other assets principally comprise cash, short-term investments, the assets of Electric Utility and HVAC, and an intercompany loan. The intercompany loan and associated interest is removed in the segment presentation.

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

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7. Energy Services Accounts Receivable Securitization Facility

Energy Services has a receivables purchase facility (“Receivables Facility”) with an issuer of receivables-backed commercial paper that is currently scheduled to expire in October 2014. The Receivables Facility provides Energy Services with the ability to borrow up to \$150 of eligible receivables during the period November 1, 2013 to May 31, 2014, and up to \$75 of eligible receivables during the period June 1, 2014 to October 31, 2014.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, Energy Services Funding Corporation (“ESFC”), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in some or all of the receivables to a major bank and, prior to October 1, 2013, a commercial paper conduit of a major bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Trade receivables sold to the bank or, prior to October 1, 2013, the commercial paper conduit, remain on the Company’s balance sheet and the Company reflects a liability equal to the amount advanced by the bank or the commercial paper conduit. The Company records interest expense on amounts owed to the bank or, prior to October 1, 2013, the commercial paper conduit. Energy Services continues to service, administer and collect trade receivables on behalf of the bank or commercial paper issuer, as applicable.

During the six months ended March 31, 2014 and 2013, Energy Services transferred trade receivables to ESFC totaling \$551.8 and \$524.3, respectively. During the six months ended March 31, 2014 and 2013, ESFC sold an aggregate \$251.0 and \$179.0, respectively, of undivided interests in its trade receivables to the bank or commercial paper conduit, as applicable. At March 31, 2014, the outstanding balance of ESFC receivables was \$124.1 and there was \$10.5 sold to the bank. At March 31, 2013, the outstanding balance of ESFC receivables was \$82.6 and there was \$11.0 sold to the commercial paper conduit.

8. Utility Regulatory Assets and Liabilities and Regulatory Matters

For a description of the Company’s regulatory assets and liabilities other than those described below, see Note 8 to the Company’s 2013 Annual Financial Statements and Notes. UGI Utilities does not recover a rate of return on its regulatory assets. The following regulatory assets and liabilities associated with Gas Utility and Electric Utility are included in our accompanying Condensed Consolidated Balance Sheets:

	March 31, 2014	September 30, 2013	March 31, 2013
Regulatory assets:			
Income taxes recoverable	\$ 106.8	\$ 106.1	\$ 104.2
Underfunded pension and postretirement plans	91.0	94.5	181.3
Environmental costs	14.5	17.1	16.8
Deferred fuel and power costs	4.3	8.3	2.1
Removal costs, net	14.4	13.3	11.9
Other	4.9	5.6	6.0
Total regulatory assets	\$ 235.9	\$ 244.9	\$ 322.3
Regulatory liabilities:			
Postretirement benefits	\$ 17.2	\$ 16.5	\$ 13.9
Environmental overcollections	1.9	2.6	3.0
Deferred fuel and power refunds	3.2	8.3	31.2
State tax benefits—distribution system repairs	9.0	8.4	7.9
Other	1.8	1.5	0.7
Total regulatory liabilities	\$ 33.1	\$ 37.3	\$ 56.7

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

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customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollected costs are classified as a regulatory liability.

Gas Utility uses derivative financial instruments to reduce volatility in the cost of natural gas it purchases for firm- residential, commercial and industrial (“retail core-market”) customers. Realized and unrealized gains or losses on natural gas derivative financial instruments are included in deferred fuel costs or refunds. Net unrealized gains (losses) on such contracts at March 31, 2014, September 30, 2013 and March 31, 2013 were \$2.4, \$(1.7) and \$4.1, respectively.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Because these contracts do not currently qualify for the normal purchases and normal sales exception under GAAP, the fair values of these contracts are required to be recognized on the Condensed Consolidated Balance Sheets with an associated adjustment to regulatory assets or liabilities in accordance with GAAP related to rate-regulated entities. At March 31, 2014, September 30, 2013, and March 31, 2013, the fair values of Electric Utility’s electricity supply contracts were net gains (losses) of \$0.4, \$(4.8) and \$(5.5), respectively, which amounts are reflected in current derivative financial instrument assets and liabilities and other noncurrent liabilities on the Condensed Consolidated Balance Sheets with equal and offsetting amounts reflected in deferred fuel and power costs or refunds in the table above.

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights (“FTRs”). FTRs are derivative financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs, realized and unrealized gains or losses on FTRs are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains or losses on FTRs at March 31, 2014, September 30, 2013, and March 31, 2013, were not material.

9. Defined Benefit Pension and Other Postretirement Plans

In the U.S., we currently sponsor one defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI’s other domestic wholly owned subsidiaries (“Pension Plan”). We also provide postretirement health care benefits to certain retirees and postretirement life insurance benefits to nearly all domestic active and retired employees. In addition, Antargaz employees are covered by certain defined benefit pension and postretirement plans.

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

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2014	2013	2014	2013
Service cost	\$ 2.3	\$ 2.8	\$ 0.1	\$ 0.2
Interest cost	6.5	5.9	0.2	0.2
Expected return on assets	(7.3)	(6.9)	(0.1)	(0.1)
Amortization of:				
Prior service cost (benefit)	0.1	0.1	(0.1)	(0.1)
Actuarial loss	1.9	3.7	—	0.1
Net benefit cost	3.5	5.6	0.1	0.3
Change in associated regulatory liabilities	—	—	0.9	0.8
Net expense	\$ 3.5	\$ 5.6	\$ 1.0	\$ 1.1

	Pension Benefits		Other Postretirement Benefits	
	Six Months Ended March 31,		Six Months Ended March 31,	
	2014	2013	2014	2013
Service cost	\$ 4.7	\$ 5.7	\$ 0.3	\$ 0.3
Interest cost	12.9	11.8	0.5	0.5
Expected return on assets	(14.7)	(13.8)	(0.3)	(0.3)
Amortization of:				
Prior service cost (benefit)	0.2	0.2	(0.2)	(0.1)
Actuarial loss	3.8	7.4	—	0.2
Net benefit cost	6.9	11.3	0.3	0.6
Change in associated regulatory liabilities	—	—	1.8	1.6
Net expense	\$ 6.9	\$ 11.3	\$ 2.1	\$ 2.2

Pension Plan assets are held in trust and consist principally of publicly traded, diversified equity and fixed income mutual funds and UGI Common Stock. It is our general policy to fund amounts for Pension Plan benefits equal to at least the minimum contribution set forth in applicable employee benefit laws. Based upon current assumptions, the Company estimates that it will be required to contribute approximately \$10.9 to the Pension Plan during the remainder of Fiscal 2014. During the six months ended March 31, 2014 and 2013, the Company made cash contributions to the Pension Plan of \$7.0 and \$6.4, respectively. UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay UGI Gas' and Electric Utility's postretirement health care and life insurance benefits referred to above by depositing into the VEBA the annual amount of postretirement benefit costs determined under GAAP. The difference between such amounts calculated under GAAP and the amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers.

We also sponsor unfunded and non-qualified defined benefit supplemental executive retirement plans ("Supplemental Defined Benefit Plans"). We recorded pre-tax expense associated with these plans of \$0.9 and \$0.8 in the three months ended March 31, 2014 and 2013, respectively. We recorded pre-tax expense associated with these plans of \$1.7 and \$1.6 in the six months ended March 31, 2014 and 2013, respectively.

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10. Commitments and Contingencies*Environmental Matters*

UGI Utilities

CPG is party to a Consent Order and Agreement (“CPG-COA”) with the Pennsylvania Department of Environmental Protection (“DEP”) requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant (“MGP”) related facilities were operated (“CPG MGP Properties”) and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement (“PNG-COA”) with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated (“PNG MGP Properties”). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1.8 and \$1.1, respectively, in any calendar year. The CPG-COA was recently renewed and is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At March 31, 2014 and 2013, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$11.1 and \$14.3, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs and (2) CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At March 31, 2014, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary’s separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary’s MGP.

Other Matters

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

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18, 2014 and believe that they have good defenses to the FTC's claims. We are unable to reasonably estimate the impact, if any, arising from this claim.

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

11. Fair Value Measurements

Derivative Financial Instruments

The following table presents our financial assets and financial liabilities that are measured at fair value on a recurring basis for each of the fair value hierarchy levels, including both current and noncurrent portions, as of March 31, 2014, September 30, 2013 and March 31, 2013:

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	Asset (Liability)				
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total	
March 31, 2014:					
Assets:					
Derivative financial instruments:					
Commodity contracts	\$ 11.5	\$ 11.4	\$ —	\$ 22.9	
Foreign currency contracts	\$ —	\$ 0.1	\$ —	\$ 0.1	
Liabilities:					
Derivative financial instruments:					
Commodity contracts	\$ (4.0)	\$ (17.1)	\$ —	\$ (21.1)	
Foreign currency contracts	\$ —	\$ (5.6)	\$ —	\$ (5.6)	
Interest rate contracts	\$ —	\$ (27.8)	\$ —	\$ (27.8)	
Cross-currency swaps	\$ —	\$ (2.2)	\$ —	\$ (2.2)	
September 30, 2013:					
Assets:					
Derivative financial instruments:					
Commodity contracts	\$ 2.1	\$ 21.2	\$ —	\$ 23.3	
Foreign currency contracts	\$ —	\$ 0.9	\$ —	\$ 0.9	
Liabilities:					
Derivative financial instruments:					
Commodity contracts	\$ (9.7)	\$ (6.3)	\$ —	\$ (16.0)	
Foreign currency contracts	\$ —	\$ (7.2)	\$ —	\$ (7.2)	
Interest rate contracts	\$ —	\$ (31.0)	\$ —	\$ (31.0)	
Cross-currency swaps	\$ —	\$ (1.2)	\$ —	\$ (1.2)	
March 31, 2013:					
Assets:					
Derivative financial instruments:					
Commodity contracts	\$ 7.9	\$ 5.7	\$ —	\$ 13.6	
Foreign currency contracts	\$ —	\$ 1.5	\$ —	\$ 1.5	
Interest rate contracts	\$ —	\$ 4.2	\$ —	\$ 4.2	
Liabilities:					
Derivative financial instruments:					
Commodity contracts	\$ (2.7)	\$ (12.6)	\$ —	\$ (15.3)	
Foreign currency contracts	\$ —	\$ (0.5)	\$ —	\$ (0.5)	
Interest rate contracts	\$ —	\$ (60.5)	\$ —	\$ (60.5)	

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

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The fair values of our Level 2 interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions. There were no transfers between Level 1 and Level 2 during the periods presented.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. At March 31, 2014, the carrying amount and estimated fair value of our long-term debt (including current maturities) were \$3,613.6 and \$3,864.4, respectively. At March 31, 2013, the carrying amount and estimated fair value of our long-term debt (including current maturities) were \$3,502.9 and \$3,780.6, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2).

Financial instruments other than derivative financial instruments, such as our short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit our credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk from trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets and several foreign countries. For information regarding concentrations of credit risk associated with our derivative financial instruments, see Note 12 and below.

Disclosures about Offsetting Derivative Assets and Liabilities

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

In general, most of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our derivative counterparties is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our derivative counterparties is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Condensed 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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Offsetting Derivative Assets and Liabilities

	Gross Amounts Recognized	Gross Amounts Offset in the Balance Sheet	Net Amounts Presented in the Balance Sheet
March 31, 2014:			
Derivative assets	\$ 31.6	\$ (8.6)	\$ 23.0
Derivative (liabilities)	\$ (65.3)	\$ 8.6	\$ (56.7)
September 30, 2013:			
Derivative assets	\$ 26.3	\$ (2.1)	\$ 24.2
Derivative (liabilities)	\$ (57.5)	\$ 2.1	\$ (55.4)
March 31, 2013:			
Derivative assets	\$ 30.1	\$ (10.8)	\$ 19.3
Derivative (liabilities)	\$ (87.1)	\$ 10.8	\$ (76.3)

12. Disclosures about Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk, (2) interest rate risk and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. A substantial portion of our derivative financial instruments, other than commodity derivative instruments at Midstream & Marketing, are designated and qualify as cash flow hedges or net investment hedges. Midstream & Marketing's commodity derivative instruments are not accounted for as hedges under GAAP. Because a substantial portion of our derivative instruments qualify for and are designated as hedges under GAAP or are subject to regulatory rate recovery mechanisms, we expect that changes in the fair value of derivative instruments used to manage commodity, interest rate or currency exchange rate risk would be substantially offset by gains or losses on the associated anticipated transactions.

Commodity Price Risk

In order to manage market price risk associated with the Partnership's fixed-price programs, which permit customers to lock in the prices they pay for propane principally during the months of October through March, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership, certain other domestic business units and our UGI International operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases. In addition, the Partnership from time to time enters into price swap and put option agreements to reduce the effects of short-term commodity price volatility which agreements are generally not designated as hedges for accounting purposes.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At March 31, 2014 and 2013, the volumes of natural gas associated with Gas Utility's unsettled NYMEX natural gas futures and option contracts totaled 9.0 million dekatherms and 10.0 million dekatherms, respectively. At March 31, 2014, the maximum period over which Gas Utility is hedging natural gas market price risk is 11 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Condensed Consolidated Balance Sheets in accordance with GAAP related to rate-regulated entities and reflected in cost of sales through the PGC mechanism (see Note 8).

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Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers, including the cost of financial instruments used to hedge electricity costs. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Because these contracts currently do not qualify for the normal purchases and normal sales exception under GAAP, the fair values of these contracts are required to be recognized on the balance sheet. At March 31, 2014 and 2013, the fair values of Electric Utility's forward purchase power agreements comprising gains of \$0.4 and losses of \$5.5, respectively, are reflected in current derivative financial instrument assets and liabilities and other noncurrent liabilities in the accompanying Condensed Consolidated Balance Sheets. In accordance with GAAP related to rate-regulated entities, Electric Utility has recorded equal and offsetting amounts in regulatory assets and liabilities. At March 31, 2014 and 2013, the volumes of Electric Utility's forward electricity purchase contracts were 207.0 million kilowatt hours and 403.2 million kilowatt hours, respectively. At March 31, 2014, the maximum period over which these contracts extend is 8 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual allocation process and by purchases of FTRs at monthly auctions. Midstream & Marketing purchases FTRs to economically hedge electricity transmission congestion costs associated with its fixed-price electricity sales contracts. FTRs are derivative financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges that result when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs, gains and losses on Electric Utility FTRs are recorded in regulatory assets or liabilities in accordance with GAAP related to rate-regulated entities and reflected in cost of sales through the DS recovery mechanism (see Note 8). Midstream & Marketing from time to time also enters into New York Independent System Operator ("NYISO") capacity swap contracts to economically hedge the locational basis differences for customers it serves on the NYISO electricity grid. At March 31, 2014 and 2013, the volumes associated with Electric Utility FTRs totaled 47.4 million kilowatt hours and 47.5 million kilowatt hours, respectively. Midstream & Marketing's FTRs and capacity swap contracts are recorded at fair value with changes in fair value reflected in cost of sales. At March 31, 2014 and 2013, the volumes associated with Midstream & Marketing's FTRs and NYISO capacity swap contracts totaled 435.1 million kilowatt hours and 261.0 million kilowatt hours, respectively.

In order to manage market price risk relating to fixed-price sales contracts for natural gas and electricity, Midstream & Marketing enters into NYMEX and over-the-counter natural gas futures contracts, IntercontinentalExchange ("ICE") natural gas basis swap contracts, and electricity futures contracts. Midstream & Marketing also uses NYMEX and over-the-counter electricity futures contracts to economically hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities. In addition, Midstream & Marketing uses NYMEX futures contracts to economically hedge the gross margin associated with the purchase and anticipated later sale of natural gas or propane. During the three months ended March 31, 2014, Energy Services determined that it could no longer assert the normal purchases and normal sales exception under GAAP for new contracts entered into for the forward purchase of natural gas and, as a result, began accounting for these new contracts at fair value on the balance sheet with changes in fair value reflected in net income. These contracts, as well as other Midstream & Marketing derivative instruments described above, are not accounted for as hedges under GAAP. These derivative instruments are recorded at fair value with changes in fair value reflected in income. As a result, volatility in Midstream and Marketing's results can occur due to changes in the fair value of unsettled derivative instruments. Volatility can also occur as a result of timing differences between the settlement of financial derivatives and the sale or purchase of the corresponding physical commodity that was economically hedged.

At March 31, 2014 and 2013, total volumes associated with Midstream & Marketing's natural gas futures and forward purchases contracts totaled 69.9 million dekatherms and 17.3 million dekatherms, respectively. Total volumes associated with Midstream & Marketing's electricity call contracts and electricity put contracts totaled 603.1 million kilowatt hours and 346.1 million kilowatt hours at March 31, 2014, and 1,034.4 million kilowatt hours and 449.9 million kilowatt hours at March 31, 2013, respectively. At March 31, 2014, the volumes associated with Midstream & Marketing's natural gas NYMEX contracts totaled 0.1 million dekatherms and there were no propane storage NYMEX contracts. At March 31, 2013, the volumes associated with Midstream & Marketing's natural gas storage NYMEX contracts totaled 0.4 million dekatherms and there were no propane storage NYMEX contracts.

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

At March 31, 2014 and 2013, total volumes associated with LPG commodity derivative instruments totaled 121.9 million gallons and 129.4 million gallons, respectively. At March 31, 2014, the maximum period over which we are economically hedging our

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exposure to the variability in cash flows associated with LPG commodity price risk is 23 months with a weighted average of 7 months.

We account for commodity price risk contracts (other than Midstream & Marketing's contracts that are not designated as accounting hedges, Gas Utility and Electric Utility contracts that are subject to regulatory treatment and certain other contracts not qualifying for hedge accounting) as cash flow hedges. Changes in the fair values of contracts qualifying for cash flow hedge accounting are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying commodity price risk. When earnings are affected by the hedged commodity, gains or losses are recorded in cost of sales on the Condensed Consolidated Statements of Income. At March 31, 2014, the amount of net gains associated with commodity price risk hedges expected to be reclassified into earnings during the next twelve months based upon current fair values is \$12.3.

Interest Rate Risk

Antargaz' and Flaga's long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz has entered into pay-fixed, receive-variable interest rate swap agreements to hedge the underlying euribor rate of interest on its variable-rate term loan, and Flaga has entered into pay-fixed, receive-variable interest rate swap agreements to hedge the underlying euribor rate of interest on its term loans, in each case through the respective scheduled maturity dates. As of March 31, 2014 and 2013, the total notional amount of existing variable-rate debt subject to interest rate swap agreements (excluding Flaga's cross-currency swap as described below) was €439.8 and €441.2, respectively.

Our domestic businesses' long-term debt is typically issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near-to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). At March 31, 2014, we had no unsettled IRPAs. At March 31, 2013, the total notional amount of unsettled IRPAs was \$173.

We account for interest rate swaps and IRPAs as cash flow hedges. Changes in the fair values of interest rate swaps and IRPAs are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying interest rate risk, until earnings are affected by the hedged interest expense. At such time, gains and losses are recorded in interest expense. At March 31, 2014, the amount of net losses associated with interest rate hedges (excluding pay-fixed, receive-variable interest rate swaps) expected to be reclassified into earnings during the next twelve months is \$2.7.

Foreign Currency Exchange Rate Risk

In order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar-denominated LPG product purchases through the use of forward foreign currency exchange contracts. The amount of dollar-denominated purchases of LPG associated with such contracts generally represents approximately 15% to 30% of estimated dollar-denominated purchases of LPG forecasted to occur during the heating-season months of October through March. At March 31, 2014 and 2013, we were hedging a total of \$199.4 and \$92.7 of U.S. dollar-denominated LPG purchases, respectively. At March 31, 2014, the maximum period over which we are hedging our exposure to the variability in cash flows associated with dollar-denominated purchases of LPG is 36 months with a weighted average of 17 months. From time to time we also enter into forward foreign currency exchange contracts to reduce the volatility of the U.S. dollar value on a portion of our International Propane euro-denominated net investments. At March 31, 2014 and 2013, we had no euro-dominated net investment hedges.

We account for foreign currency exchange contracts associated with anticipated purchases of U.S. dollar-denominated LPG as cash flow hedges. Changes in the fair values of these foreign currency exchange contracts are recorded in AOCI, to the extent effective in offsetting changes in the underlying currency exchange rate risk, until earnings are affected by the hedged LPG purchase, at which time gains and losses are recorded in cost of sales. At March 31, 2014, the amount of net losses associated with currency rate risk (other than net investment hedges) expected to be reclassified into earnings during the next twelve months based upon current fair values is \$4.1. Gains and losses on net investment hedges are included in AOCI until such foreign operations are liquidated.

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

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Cross-Currency Swaps

During Fiscal 2013, Flaga entered into a cross-currency swap to hedge its exposure to the variability in expected future cash flows associated with foreign currency and interest rate risk resulting from the issuance of \$52 of U.S. dollar denominated variable-rate debt. The cross-currency hedge includes initial and final exchanges of principal from a fixed euro denomination to a fixed U.S. denominated amount, to be exchanged at a specified rate, which was determined by the market spot rate on the date of issuance. The cross-currency swap also includes an interest rate swap of a fixed foreign-denominated interest rate to a fixed U.S. denominated interest rate. We have designated this cross-currency swap as a cash flow hedge. Changes in the fair value of our cross-currency swap is recorded in AOCI to the extent effective in offsetting changes in the underlying foreign currency exchange and interest rate risk. At March 31, 2014, the amount of net losses associated with this cross-currency swap expected to be reclassified into earnings over the next twelve months is not material.

Derivative Financial Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate. Certain of these agreements call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts generally require cash deposits in margin accounts. At March 31, 2014 and 2013, restricted cash in brokerage accounts totaled \$4.4 and \$2.8, respectively. Although we have concentrations of credit risk associated with derivative financial instruments, the maximum amount of loss, based upon the gross fair values of the derivative financial instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was not material at March 31, 2014. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership's debt rating. At March 31, 2014, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

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The following table provides information regarding the fair values and balance sheet locations of our derivative assets and liabilities existing as of March 31, 2014 and 2013:

	Derivative Assets			Derivative (Liabilities)		
	Balance Sheet	Fair Value March 31,		Balance Sheet	Fair Value March 31,	
	Location	2014	2013	Location	2014	2013
Derivatives Designated as Hedging Instruments:						
Commodity contracts	Derivative financial instruments and Other assets	\$ 10.2	\$ 5.4	Derivative financial instruments and Other noncurrent liabilities	\$ (0.4)	\$ (7.0)
Foreign currency contracts	Derivative financial instruments and Other assets	0.1	1.5	Derivative financial instruments and Other noncurrent liabilities	(5.6)	(0.5)
Cross-currency contracts		—	—	Derivative financial instruments and Other noncurrent liabilities	(2.2)	—
Interest rate contracts	Derivative financial instruments	—	4.2	Derivative financial instruments and Other noncurrent liabilities	(27.8)	(60.5)
Total Derivatives Designated as Hedging Instruments		\$ 10.3	\$ 11.1		\$ (36.0)	\$ (68.0)
Derivatives Subject to Utility Rate Regulation:						
Commodity contracts	Derivative financial instruments	\$ 3.2	\$ 4.1	Derivative financial instruments and Other noncurrent liabilities	\$ (0.4)	\$ (5.5)
Derivatives Not Designated as Hedging Instruments:						
Commodity contracts	Derivative financial instruments and Other assets	\$ 9.5	\$ 4.1	Derivative financial instruments and Other noncurrent liabilities	\$ (20.3)	\$ (2.8)
Total Derivatives		\$ 23.0	\$ 19.3		\$ (56.7)	\$ (76.3)

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The following tables provide information on the effects of derivative instruments on the Condensed Consolidated Statements of Income and changes in AOCI and noncontrolling interests for the three and six months ended March 31, 2014 and 2013:

Three Months Ended March 31,	Gain (Loss) Recognized in AOCI and Noncontrolling Interests		Gain (Loss) Reclassified from AOCI and Noncontrolling Interests into Income		Location of Gain (Loss) Reclassified from AOCI and Noncontrolling
	2014	2013	2014	2013	Interests into Income
Cash Flow Hedges:					
Commodity contracts	\$ 7.8	\$ (0.4)	\$ 39.9	\$ (25.3)	Cost of sales
Foreign currency contracts	(0.2)	2.6	(1.4)	(0.6)	Cost of sales
Cross-currency contracts	0.1	—	0.2	—	Interest expense
Interest rate contracts	(1.8)	8.0	(4.0)	(3.5)	Interest expense / other income, net
Total	<u>\$ 5.9</u>	<u>\$ 10.2</u>	<u>\$ 34.7</u>	<u>\$ (29.4)</u>	
	Gain (Loss) Recognized in Income				Location of Gain (Loss) Recognized in Income
	2014	2013			
Derivatives Not Designated as Hedging Instruments:					
Commodity contracts	\$ (22.2)	\$ 11.5			Cost of sales
Commodity contracts	—	0.1			Operating expenses / other income, net
Foreign currency contracts	—	(0.2)			Other income, net
Total	<u>\$ (22.2)</u>	<u>\$ 11.4</u>			
Six Months Ended March 31,	Gain (Loss) Recognized in AOCI and Noncontrolling Interests		Gain (Loss) Reclassified from AOCI and Noncontrolling Interests into Income		Location of Gain (Loss) Reclassified from AOCI and Noncontrolling
	2014	2013	2014	2013	Interests into Income
Cash Flow Hedges:					
Commodity contracts	\$ 61.2	\$ (4.5)	\$ 62.2	\$ (43.2)	Cost of sales
Foreign currency contracts	(2.7)	(1.1)	(3.5)	(0.1)	Cost of sales
Cross-currency contracts	(1.1)	—	(0.1)		Interest expense
Interest rate contracts	(3.5)	9.0	(8.1)	(7.0)	Interest expense / other income, net
Total	<u>\$ 53.9</u>	<u>\$ 3.4</u>	<u>\$ 50.5</u>	<u>\$ (50.3)</u>	
	Gain (Loss) Recognized in Income				Location of Gain (Loss) Recognized in Income
	2014	2013			
Derivatives Not Designated as Hedging Instruments:					
Commodity contracts	\$ (9.4)	\$ 13.8			Cost of sales
Commodity contracts	0.1	0.1			Operating expenses / other income, net
Foreign currency contracts	—	(0.2)			Other income, net
Total	<u>\$ (9.3)</u>	<u>\$ 13.7</u>			

The amounts of derivative gains or losses representing ineffectiveness were not material for the three and six month periods ended March 31, 2014 and 2013.

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders and contracts that provide for the purchase and delivery, or sale, of natural gas, LPG and electricity and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchases and normal sales exception accounting under GAAP because they provide for the delivery of products

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

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

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.

13. Inventories

Inventories comprise the following:

	March 31, 2014	September 30, 2013	March 31, 2013
Non-utility LPG and natural gas	\$ 251.4	\$ 230.0	\$ 220.3
Gas Utility natural gas	7.5	78.9	5.4
Materials, supplies and other	65.5	56.6	66.7
Total inventories	<u>\$ 324.4</u>	<u>\$ 365.5</u>	<u>\$ 292.4</u>

At March 31, 2014, UGI Utilities is a party to four storage contract administrative agreements (“SCAAs”) having terms of one to three years. Pursuant to SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the term of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility’s total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished), are included in the caption “Gas Utility natural gas” in the table above.

As of March 31, 2014, UGI Utilities had SCAAs with Energy Services and a non-affiliate. The carrying values of natural gas storage inventories released under SCAAs with non-affiliates at March 31, 2014 and September 30, 2013, comprising 0.2 billion cubic feet (“bcf”) and 0.6 bcf of natural gas, were \$0.8 and \$2.4, respectively. UGI Utilities did not have any SCAAs with non-affiliates at March 31, 2013.

14. Debt

On March 26, 2014, UGI Utilities issued in a private placement \$175 of 4.98% Senior Notes due March 26, 2044 (“4.98% Senior Notes”). The 4.98% Senior Notes were issued pursuant to a Note Purchase Agreement dated October 30, 2013, between UGI Utilities and certain note purchasers. The 4.98% Senior Notes are unsecured and rank equally with UGI Utilities’ existing outstanding senior debt. The net proceeds from the sale of the 4.98% Senior Notes were used to repay \$175 of borrowings under UGI Utilities’ 364-day term loan credit agreement scheduled to expire in September 2014. The 4.98% Senior Notes include the usual and customary covenants for similar type notes including, among others, maintenance of existence, payment of taxes when due, compliance with laws and maintenance of insurance. The 4.98% Senior Notes also contain restrictive and financial covenants including a Consolidated Debt to Consolidated Total Capital, as defined therein, of 0.65 to 1.00.

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 Securities Exchange Act of 1934, as amended. 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 other LPG, oil, electricity, and natural gas and the capacity to transport product to our customers; (3) changes in domestic and foreign laws and regulations, including safety, tax, consumer protection and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers and retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) large customer, counterparty or supplier defaults; (12) liability in excess of insurance coverage for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas and LPG and the impact of regulatory enforcement activity related thereto, ranging from financial penalties, required reporting or operational measures up to suspension of applicable certificates of public convenience; (13) political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and foreign currency exchange rate fluctuations, particularly the euro; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) reduced distributions from subsidiaries; (17) the timing of development of Marcellus Shale gas production; (18) the timing and success of our acquisitions, commercial initiatives and investments to grow our businesses; and (19) our ability to successfully integrate acquired businesses and achieve anticipated synergies.

These factors, and those factors set forth in Item 1A. Risk Factors in (i) our Quarterly Reports on Form 10-Q for the fiscal quarters ended December 31, 2013 and March 31, 2014 and (ii) our Annual Report on Form 10-K for the fiscal year ended September 30, 2013, 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 our business, financial condition or future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare our results of operations for the three months ended March 31, 2014 (“2014 three-month period”) with the three months ended March 31, 2013 (“2013 three-month period”) and the six months ended March 31, 2014 (“2014 six-month period”) with the six months ended March 31, 2013 (“2013 six-month period”). Our analyses of results of operations should be read in conjunction with the segment information included in Note 6 to the condensed consolidated financial statements.

Executive Overview

Because most of our businesses sell or distribute energy products used in large part for heating purposes, 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 earnings are significantly higher in our first and second fiscal quarters.

Three Months Ended March 31, 2014 Results

We recorded net income attributable to UGI Corporation of \$214.4 million (equal to \$1.84 per diluted share) for the 2014 three-month period compared to net income attributable to UGI Corporation of \$180.7 million (equal to \$1.57 per diluted share) for the 2013 three-month period. Net income attributable to UGI Corporation in the 2014 three-month period includes net after-tax losses of \$7.7 million related to changes in the fair values of Midstream & Marketing’s unsettled commodity derivative instruments and net losses on settled commodity derivative instruments not associated with current period transactions (which amounts are reflected in “Corporate & Other” in the business unit summary table below). Net income attributable to UGI Corporation in the 2013 three-month period includes net after-tax gains of \$6.7 million related to such gains and losses. Adjusted net income attributable to UGI excluding the effects of Midstream & Marketing’s derivative gains and losses was \$222.1 million (equal to \$1.90 per diluted share) in the 2014 three-month period compared to \$174.0 million (equal to \$1.51 per diluted share) in the prior-year three-month period.

The significant increase in adjusted net income attributable to UGI in the 2014 three-month period reflects the effects of significantly colder and more volatile winter weather at Midstream & Marketing and significantly colder weather at Gas Utility and in AmeriGas Propane’s service territory east of the Rocky Mountains. The significant increase in operating results from our domestic business units was partially offset by the effects of record warm temperatures at our European LPG business units. During the three months ended March 31, 2014, net income attributable to UGI increased \$45.1 million at Midstream & Marketing; increased \$17.8 million at Gas Utility; and increased \$3.6 million at AmeriGas Propane. Midstream & Marketing’s operating results were substantially

above last year as periods of extreme cold weather in the Mid-Atlantic and Northeast U.S. served by Energy Services resulted in significant locational basis price differences for natural gas and also increased the demand for, and the value of, winter peaking services. Midstream & Marketing's Electric Generation business results also benefited from higher unit margins and higher production at its Hunlock Creek natural gas fired generating facility. The improved results at Gas Utility principally reflect the effects on core market volumes of 17.1% colder weather. The improved results at AmeriGas Propane also reflect the retail volume effects of significantly colder weather in the U.S. east of the Rocky Mountains offset in part by the unfavorable impacts on retail volumes and distribution costs from wholesale supply challenges in certain regions of the U.S. caused by industry-wide storage and transportation issues exacerbated by prolonged periods of unusually cold weather. UGI International earnings declined \$14.6 million principally due to record warm winter temperatures at our European LPG businesses which caused reduced retail volumes sold.

Six Months Ended March 31, 2014 Results

We recorded net income attributable to UGI of \$336.4 million (equal to \$2.89 per diluted share) for the 2014 six-month period compared to net income attributable to UGI of \$283.2 million (equal to \$2.47 per diluted share) for the 2013 six-month period. Net income attributable to UGI in the 2014 six-month period includes net after-tax losses of \$3.5 million related to changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and gains and losses on settled commodity derivative instruments not associated with current period transactions. Net income attributable to UGI in the 2013 six-month period includes net after-tax gains of \$8.0 million related to such gains and losses. Results in the 2014 six-month period also reflect the retroactive effect to Fiscal 2013 of a change in tax laws in France, which increased tax expense and reduced 2014 six-month period net income attributable to UGI by \$5.7 million (equal to \$0.05 per diluted share). Adjusted net income attributable to UGI (which excludes the effects of these Midstream & Marketing derivative gains and losses and the retroactive impact of changes in French tax law as further described below) was \$345.6 million (equal to \$2.97 per diluted share) in the 2014 six-month period compared to \$275.2 million (equal to \$2.40 per diluted share) in the prior-year six-month period.

The higher adjusted net income attributable to UGI in the 2014 six-month period reflects the benefits to our domestic businesses of significantly colder and more volatile 2014 winter weather. At our Midstream & Marketing's Energy Services business unit, the cold and volatile weather patterns resulted in significant locational basis price differences for natural gas and also increased the demand for, and the value of, winter peaking services. The increase in Gas Utility's and AmeriGas Propane's 2014 six-month period results principally reflects the volume effects of the colder weather. Temperatures at UGI International's European operations during the 2014 six-month period were significantly warmer than normal and the prior year, which reduced UGI International's retail volumes and net income.

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

We believe each of our business units has sufficient liquidity in the forms of revolving credit facilities, and with respect to Energy Services also an accounts receivable securitization facility, to fund business operations during Fiscal 2014 (see Financial Condition and Liquidity below).

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

UGI management uses "adjusted net income attributable to UGI" and "adjusted earnings per diluted share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI excluding (1) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on Midstream & Marketing's settled commodity derivative instruments not associated with current period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur. Midstream & Marketing accounts for commodity derivative instruments at fair value with changes in fair value included in earnings as a component of cost of sales or revenues on the Condensed Consolidated Statements of Income. Volatility in GAAP net income at UGI can occur as a result of changes in the fair values of Midstream & Marketing's unsettled derivative instruments and gains and losses on certain settled commodity derivative instruments not associated with current period transactions.

Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on settled commodity derivative instruments not associated with current period transactions that are required, under GAAP, to be recorded in current period earnings but are economic hedges of related commodity transactions and (2) those items that management regards as highly unusual in nature and not expected to recur.

The following table reconciles consolidated net income attributable to UGI, the most directly comparable GAAP measure, to adjusted net income attributable to UGI, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above:

(Millions of dollars, except per share)	For the Three Months ended March 31,		For the Six Months ended March 31,	
	2014	2013	2014	2013
Adjusted net income attributable to UGI Corporation:				
Net income attributable to UGI Corporation	\$ 214.4	\$ 180.7	\$ 336.4	\$ 283.2
Adjust: Net unrealized losses (gains) on Midstream & Marketing's unsettled commodity derivative instruments	7.8	(4.5)	4.7	(3.4)
Adjust: Net (gains) on certain Midstream & Marketing settled commodity derivative instruments	(0.1)	(2.2)	(1.2)	(4.6)
Adjust: Retroactive impact of change in French tax law	—	—	5.7	—
Adjusted net income attributable to UGI Corporation	\$ 222.1	\$ 174.0	\$ 345.6	\$ 275.2
Adjusted diluted earnings per share:				
Earnings per share - diluted	\$ 1.84	\$ 1.57	\$ 2.89	\$ 2.47
Adjust: Net unrealized losses (gains) on Midstream & Marketing's unsettled commodity derivative instruments	0.07	(0.04)	0.04	(0.03)
Adjust: Net (gains) on certain Midstream & Marketing settled commodity derivative instruments (a)	(0.01)	(0.02)	(0.01)	(0.04)
Adjust: Retroactive impact of change in French tax law	—	—	0.05	—
Adjusted earnings per share - diluted	\$ 1.90	\$ 1.51	\$ 2.97	\$ 2.40

(a) - includes the impact of rounding.

2014 three-month period compared to the 2013 three-month period

Net income (loss) attributable to UGI Corporation by Business Unit:

	Three Months Ended March 31,				Variance - Favorable (Unfavorable)	
	2014		2013			
(Millions of dollars)	Amount	% of Total	Amount	% of Total	Amount	% Change
AmeriGas Propane	\$ 42.7	19.9 %	\$ 39.1	21.6%	\$ 3.6	9.2 %
UGI International	38.8	18.1 %	53.4	29.6%	(14.6)	(27.3)%
Gas Utility	74.4	34.7 %	56.6	31.3%	17.8	31.4 %
Midstream & Marketing	71.8	33.5 %	26.7	14.8%	45.1	168.9 %
Corporate & Other (a)	(13.3)	(6.2)%	4.9	2.7%	(18.2)	N.M.
Net income attributable to UGI Corporation	\$ 214.4	100.0 %	\$ 180.7	100.0%	\$ 33.7	18.6 %

N.M. — Variance is not meaningful.

(a) includes net after-tax (losses) gains of \$(7.7) million and \$6.7 million in the three months ended March 31, 2014 and 2013, respectively, related to changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on Midstream & Marketing's settled commodity derivative instruments not associated with current period transactions.

AmeriGas Propane:

For the three months ended March 31,	2014	2013	Increase
(Millions of dollars)			
Revenues	\$ 1,493.7	\$ 1,183.3	\$ 310.4 26.2%
Total margin (a)	\$ 608.2	\$ 570.9	\$ 37.3 6.5%
Operating and administrative expenses	\$ 281.4	\$ 261.1	\$ 20.3 7.8%
Partnership EBITDA (b)	\$ 331.3	\$ 314.9	\$ 16.4 5.2%
Operating income (b)	\$ 284.8	\$ 266.4	\$ 18.4 6.9%
Retail gallons sold (millions)	474.9	464.4	10.5 2.3%
Degree days—% colder (warmer) than normal (c)	8.1%	(1.5)%	— —

- (a) Total margin represents total revenues less total cost of sales.
- (b) Partnership EBITDA (earnings before interest expense, income taxes and depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) and is not a measure of performance or financial condition under GAAP. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 6 to condensed consolidated financial statements). Partnership EBITDA for the three months ended March 31, 2013, includes transition expenses of \$5.4 million associated with integration of Heritage Propane.
- (c) Deviation from average heating degree-days for the 30-year period 1971-2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the United States, excluding Alaska.

AmeriGas Propane's retail gallons sold in the 2014 three-month period increased 2.3% from the 2013 three-month period. The increase in retail gallons sold reflects average temperatures based upon heating degree days that were 8.1% colder than normal and 9.7% colder than the prior-year period. Most of the U.S. east of the Rocky Mountains experienced significantly colder than normal winter weather while temperatures in the western U.S. were warmer than normal. The beneficial effects of the colder weather on retail volumes sold, however, were muted by supply challenges in certain regions of the U.S. caused by industry-wide storage and transportation issues exacerbated by prolonged periods of unusually cold weather. In order to ensure that customers in these regions were adequately supplied during these periods of cold weather, the Partnership instituted supply allocation measures which limited total retail volumes sold and increased distribution costs per gallon. The Partnership's attention on ensuring adequate supply of propane to retail customers during these periods of short supply reduced income from ancillary sales and services.

Retail propane revenues increased \$301.4 million during the 2014 three-month period reflecting the effects of higher average retail selling prices (\$277.4 million), largely the result of higher propane product costs, and the higher retail volumes sold (\$24.0 million). Wholesale propane revenues increased \$14.7 million during the 2014 three-month period reflecting the effects of higher wholesale selling prices (\$18.6 million) partially offset by the effects of lower wholesale volumes sold (\$3.9 million). Average daily wholesale propane commodity prices during the 2014 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 51% higher than such prices during the prior-year three-month period. In addition, certain regions of the U.S. experienced an even greater increase in wholesale commodity prices due to supply constraints caused by industry-wide storage and transportation issues exacerbated by the unusually cold weather conditions. Total revenues from fee income and other ancillary sales and services in the 2014 three-month period were slightly lower than in the 2013 three-month period. Total cost of sales during the 2014 three-month period increased \$273.1 million principally reflecting the effects of the higher average propane product costs (\$246.4 million) and, to a lesser extent, the effects of the greater retail volumes sold (\$12.5 million).

Total margin increased \$37.3 million in the 2014 three-month period principally reflecting higher retail propane total margin (\$42.6 million) partially offset by lower margin from ancillary sales and services. The increase in retail propane total margin reflects modestly higher average retail propane unit margins and the increase in retail volumes sold.

Partnership EBITDA in the 2014 three-month period increased \$16.4 million principally reflecting the higher total margin (\$37.3 million) partially offset by higher operating and administrative expenses (\$20.3 million). The increase in operating and administrative expenses reflects higher distribution-related expenses associated with the higher retail volumes sold as well as higher distribution costs caused by supply shortages in certain regions of the U.S. and greater uncollectible accounts expense. These higher distribution-related expenses were partially offset by synergies from the integration of Heritage Propane which was completed in Fiscal 2013. Operating and administrative expenses in the prior-year three-month period include \$5.4 million of transition expenses associated with the integration of Heritage Propane. Operating income increased \$18.4 million in the 2014 three-month period principally reflecting the higher total margin (\$37.3 million) partially offset by the higher operating and administrative expenses (\$20.3 million).

UGI International:

For the three months ended March 31,	2014	2013	Increase (decrease)	
(Millions of dollars)				
Revenues	\$ 689.2	\$ 683.5	\$ 5.7	0.8 %
Total margin (a)	\$ 199.8	\$ 220.3	\$ (20.5)	(9.3)%
Operating and administrative expenses	\$ 120.6	\$ 118.7	\$ 1.9	1.6 %
Operating income	\$ 63.8	\$ 81.6	\$ (17.8)	(21.8)%
Income before income taxes	\$ 56.3	\$ 74.1	\$ (17.8)	(24.0)%
Retail gallons sold (millions) (b)	162.8	177.9	(15.1)	(8.5)%
Antargaz degree days—% (warmer) colder than normal (c)	(16.5)%	10.1%	—	—
Flaga degree days—% (warmer) colder than normal (c)	(18.1)%	5.1%	—	—

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

(b) Excludes retail gallons from operations in China.

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

Our European LPG operations experienced record warm temperatures during the Fiscal 2014 winter heating season. Temperatures at Antargaz based upon heating degree days averaged 16.5% warmer than normal while temperatures at Flaga averaged more than 18% warmer than normal. By contrast, temperatures in the prior-year three-month period were colder than normal at both business units. Total retail gallons sold were 8.5% lower than the prior-year period reflecting the effects of the significantly warmer weather partially offset by incremental retail gallons associated with BP's former LPG business in Poland acquired by Flaga in September 2013 ("BP Poland acquisition"). During the 2014 three-month period, the average wholesale commodity price for propane in northwest Europe was approximately 7.7% lower than in the prior-year period while the average wholesale commodity price for butane was approximately 3.8% lower than the prior-year period.

UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during each of the reporting periods. The functional currency of a significant portion of our UGI International results is the euro. During the 2014 and 2013 three-month periods, the average un-weighted translation rate was approximately \$1.37 and \$1.32 per euro, respectively. The differences in the euro to U.S. dollar translation rates and, to a lesser extent, the differences in the exchange rates of the British pound sterling to the U.S. dollar at AvantiGas, did not have a material impact on net income attributable to UGI.

UGI International revenues were slightly higher than the prior-year period principally reflecting higher total revenues at Flaga (\$48.4 million), reflecting incremental wholesale and retail revenues from the BP Poland acquisition and the currency conversion effects of the slightly stronger euro, partially offset by lower total revenues at Antargaz (\$40.6 million) and, to a much lesser extent, AvantiGas from lower heating-related volumes sold offset, in part, by the slightly stronger euro and British pound sterling. UGI International cost of sales increased to \$489.4 million in the 2014 three-month period from \$463.2 million in the prior-year period as higher cost of sales at Flaga (\$49.9 million), reflecting incremental wholesale and retail cost of sales from the BP Poland acquisition and the slightly stronger euro, were partially offset by lower cost of sales at Antargaz and, to a much lesser extent, AvantiGas principally as a result of the lower retail gallons sold partially offset by the currency conversion effects of the slightly stronger euro and British pound sterling.

Total UGI International margin decreased \$20.5 million during the 2014 three-month period principally reflecting a decline in total margin at Antargaz (\$21.5 million). Notwithstanding the much warmer weather, total margin at Flaga was only slightly lower

than the prior-year three-month period reflecting incremental margin from the BP Poland acquisition, while total margin at AvantiGas was slightly higher than the prior-year, notwithstanding lower retail sales, reflecting higher average retail unit margins.

UGI International 2014 three-month period operating income and income before income taxes were both \$17.8 million lower than the prior-year period principally reflecting the lower total margin (\$20.5 million), higher base currency operating and administrative expenses at Flaga reflecting the incremental effects of the BP Poland acquisition, and the currency conversion effects on operating expenses of the slightly stronger euro, partially offset by lower base currency operating and administrative costs at Antargaz as a result of the lower volumes sold.

Gas Utility:

For the three months ended March 31,	2014	2013	Increase	
(Millions of dollars)				
Revenues	\$ 480.1	\$ 368.6	\$ 111.5	30.2%
Total margin (a)	\$ 201.3	\$ 171.9	\$ 29.4	17.1%
Operating and administrative expenses	\$ 52.4	\$ 50.4	\$ 2.0	4.0%
Operating income	\$ 134.5	\$ 105.7	\$ 28.8	27.2%
Income before income taxes	\$ 126.1	96.4	\$ 29.7	30.8%
System throughput—billions of cubic feet (“bcf”) —				
Core market	41.8	34.9	6.9	19.8%
Total	78.5	68.6	9.9	14.4%
Degree days—% colder than normal (b)	19.3%	1.9%	—	—

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

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

Gas Utility experienced significantly colder than normal weather during the three months ended March 31, 2014. Temperatures in the Gas Utility service territory during the 2014 three-month period based upon heating degree days were 19.3% colder than normal and 17.1% colder than the prior-year three-month period. Total distribution system throughput increased 9.9 bcf principally reflecting a 6.9 bcf (19.8%) increase in demand from Gas Utility’s core market customers and, to a lesser extent, greater large firm delivery service volumes. Core market customers comprise firm- residential, commercial and industrial (“retail core-market”) customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers. Gas Utility system throughput to core-market customers was higher than last year principally reflecting the effects of the significantly colder weather and, to a lesser extent, customer growth due principally to conversions from other fuels prompted by sustained lower natural gas prices and high oil prices.

Gas Utility revenues increased \$111.5 million during the 2014 three-month period principally reflecting higher revenues from core market customers (\$55.4 million), higher revenues from off-system sales (\$47.3 million) and, to a much lesser extent, higher revenues from large firm delivery service customers on higher throughput (\$5.8 million). The increase in core market revenues principally reflects the effects of the higher core market throughput and, to a much lesser extent, the effects of slightly higher average purchased gas cost (“PGC”) rates (\$1.2 million). Under Gas Utility’s PGC recovery mechanisms, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amounts included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of this PGC recovery mechanism, increases or decreases in the cost of gas associated with retail core-market customers have no direct effect on retail core-market margin. Gas Utility’s cost of gas was \$278.8 million in the 2014 three-month period compared with \$196.7 million in the prior-year period principally reflecting the effects of the greater retail core-market volumes sold (\$31.6 million) and the effects of the higher off-system sales (\$47.3 million).

Gas Utility total margin increased \$29.4 million in the 2014 three-month period principally reflecting higher core market total margin (\$22.9 million) and greater large firm delivery service total margin (\$5.5 million). The higher core market and large firm delivery service total margin reflects the effects of the greater throughput to these customers resulting from the significantly colder weather and new customer growth.

Gas Utility operating income and income before income taxes during the 2014 three-month period were \$28.8 million and \$29.7 million higher than the prior year, respectively. The increase in Gas Utility operating income principally reflects the \$29.4 million

increase in total margin partially offset by slightly higher operating and administrative expenses which include, among other things, higher uncollectible accounts expense and higher distribution system maintenance expenses offset in part by lower pension and benefit expenses. The increase in Gas Utility income before income taxes reflects the greater operating income (\$28.8 million) and lower interest expense principally reflecting lower average interest rates.

Midstream & Marketing:

For the three months ended March 31,	2014	2013	Increase
(Millions of dollars)			
Revenues (a)	\$ 605.6	\$ 320.5	\$ 285.1 89.0%
Total margin (b)	\$ 146.7	\$ 64.4	\$ 82.3 127.8%
Operating and administrative expenses	\$ 19.6	\$ 15.1	\$ 4.5 29.8%
Operating income	\$ 121.4	\$ 45.0	\$ 76.4 169.8%
Income before income taxes	\$ 120.4	\$ 44.2	\$ 76.2 172.4%

- (a) Amounts are net of intercompany revenues between Midstream & Marketing's Energy Services and Electric Generation segments.
- (b) Total margin represents total revenues less total cost of sales. Amounts exclude pre-tax (losses) gains from changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and (losses) gains on settled commodity instruments not associated with current period transactions of \$(13.2) million and \$11.5 million during the 2014 three-month period and the 2013 three-month period, respectively.

Midstream & Marketing total revenues increased \$285.1 million in the 2014 three-month period principally reflecting higher natural gas revenues (\$207.2 million) and, to a much lesser extent, higher capacity management (\$43.4 million), peaking service (\$24.3 million) and Electric Generation revenues. The increase in natural gas revenues principally reflects higher weather-related wholesale and retail natural gas volumes sold and higher natural gas prices. The greater capacity management and peaking service revenues principally reflect higher demand for natural gas pipeline capacity at much higher prices caused by periods of extreme cold weather in the Northeast and Mid-Atlantic regions of the U.S. served by Energy Services. The increase in Electric Generation revenues principally reflects higher electricity production at the Hunlock Creek electricity generating station. Midstream & Marketing cost of sales was \$458.9 million in the 2014 three-month period compared to \$256.1 million in the 2013 three-month period principally reflecting higher cost of sales resulting from higher natural gas volumes and prices.

Midstream & Marketing total margin increased \$82.3 million (127.8%) in the 2014 three-month period principally reflecting significantly higher capacity management and peaking total margin (\$58.8 million), higher Electric Generation total margin (\$9.2 million) and greater retail natural gas marketing margin due to the colder weather. The significant increase in total margin from capacity management and peaking activities reflects higher demand for natural gas pipeline capacity at much higher prices as a result of periods of extreme cold weather, which allowed Energy Services to benefit from significant locational basis price differences, and a greater need for winter peaking services. The greater total margin from Electric Generation principally reflects the impact of higher unit margins at the Hunlock Creek natural gas-fired electricity generating facility, reflecting in large part lower natural gas feedstock costs, greater electricity production, and higher Electric Generation capacity revenues. To a much lesser extent, natural gas gathering total margin also increased reflecting incremental margin from the Auburn pipeline extension which was placed in service during the first quarter of Fiscal 2014.

Midstream & Marketing operating income and income before income taxes in the 2014 three-month period were \$76.4 million and \$76.2 million, respectively, higher than the prior-year period reflecting the previously mentioned significant increase in total margin (\$82.3 million) partially offset by higher operating, administrative and depreciation expenses. The higher operating, administrative and depreciation expenses include greater expenses associated with natural gas gathering assets, higher uncollectible accounts expense and a \$1.4 million charge relating to the write-off of certain deferred pipeline development costs. Electric Generation operating expenses were about equal to the prior-year three-month period reflecting higher expenses associated with the increased production at the Hunlock Creek facility offset by lower maintenance expenses associated with our interest in the Conemaugh electricity generating station.

Interest Expense and Income Taxes. Our consolidated interest expense was \$0.6 million lower during the 2014 three-month period principally reflecting slightly lower UGI Utilities interest expense.

Our consolidated effective tax rate for the three months ended March 31, 2014, was higher than the prior-year period. The higher effective tax rate in the 2014 three-month period reflects a higher proportion of pretax earnings from higher tax rate domestic

business units and, to a lesser extent, the effects of new tax legislation in France. The new tax legislation in France, among other things, limits Antargaz' ability to deduct interest expense for income tax purposes on certain intercompany debt and increases the corporate surtax rate for a period of two years.

2014 six-month period compared to the 2013 six-month period

Net income (loss) attributable to UGI Corporation by Business Unit:

(Millions of dollars)	Six Months Ended March 31,				Variance - Favorable (Unfavorable)	
	2014		2013			
	Amount	% of Total	Amount	% of Total	Amount	% Change
AmeriGas Propane	\$ 68.2	20.3 %	\$ 56.7	20.0%	\$ 11.5	20.3 %
UGI International	66.2	19.7 %	88.9	31.4%	(22.7)	(25.5)%
Gas Utility	117.8	35.0 %	92.1	32.5%	25.7	27.9 %
Midstream & Marketing	93.8	27.9 %	41.7	14.7%	52.1	124.9 %
Corporate & Other (a)	(9.6)	(2.9)%	3.8	1.4%	(13.4)	N.M.
Net income attributable to UGI Corporation	\$ 336.4	100.0 %	\$ 283.2	100.0%	\$ 53.2	18.8 %

N.M. — Variance is not meaningful.

(a) Includes net after-tax (losses) gains of \$(3.5) million and \$8.0 million in the six months ended March 31, 2014 and 2013, respectively, related to changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on Midstream & Marketing's settled commodity derivative instruments not associated with current period transactions.

AmeriGas Propane:

For the six months ended March 31,	2014		2013		Increase	
(Millions of dollars)						
Revenues	\$	2,539.5	\$	2,055.2	\$	484.3 23.6%
Total margin (a)	\$	1,071.3	\$	993.5	\$	77.8 7.8%
Operating and administrative expenses	\$	519.0	\$	504.6	\$	14.4 2.9%
Partnership EBITDA (b)	\$	561.5	\$	500.8	\$	60.7 12.1%
Operating income (b)	\$	464.5	\$	403.7	\$	60.8 15.1%
Retail gallons sold (millions)		849.0		815.1		33.9 4.2%
Degree days—% colder (warmer) than normal (c)		6.2%		(4.7)%		— —

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

(b) Partnership EBITDA (earnings before interest expense, income taxes and depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) and is not a measure of performance or financial condition under GAAP. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 6 to condensed consolidated financial statements). Partnership EBITDA for the six months ended March 31, 2013, includes transition expenses of \$10.9 million associated with the integration of Heritage Propane.

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

AmeriGas Propane's retail gallons sold in the 2014 six-month period increased 4.2% compared with the 2013 six-month period. The increase in retail gallons sold reflects average temperatures based upon heating degree days that were 6.2% colder than normal and 11.5% colder than the prior-year period principally reflecting significantly colder weather in the eastern half of the United States. The effects of the colder weather, however, were muted by supply challenges in certain regions of the U.S. experienced

during the winter heating season caused by prolonged periods of unusually cold weather. In order to ensure that customers in these regions were adequately supplied during these extreme weather conditions, the Partnership instituted supply allocation measures which limited total retail volumes sold and increased distribution costs per gallon.

Retail propane revenues increased \$454.8 million during the 2014 six-month period reflecting the effects of higher average retail selling prices (\$378.7 million), largely the result of higher propane product costs, and the higher retail volumes sold (\$76.1 million). Wholesale propane revenues increased \$40.2 million during the 2014 six-month period reflecting the effects of higher wholesale selling prices (\$32.4 million) and higher wholesale volumes sold (\$7.8 million). Average daily wholesale propane commodity prices during the 2014 six-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 43% higher than such prices during the prior-year six-month period. In addition, certain regions of the U.S. experienced an even greater increase in wholesale commodity prices due to supply constraints caused by industry-wide storage and transportation issues exacerbated by the unusually cold weather conditions. Total revenues from fee income and other ancillary sales and services in the 2014 six-month period were lower than in the 2013 six-month period. Total cost of sales during the 2014 six-month period increased \$406.5 million principally reflecting the effects of the higher average propane product costs (\$361.5 million) and, to a lesser extent, the effects of the greater retail and wholesale volumes sold (\$47.2 million).

Total margin increased \$77.8 million in the 2014 six-month period principally reflecting higher retail propane total margin (\$84.8 million) partially offset by lower margin from ancillary sales and services. The increase in retail propane total margin reflects modestly higher average retail propane unit margins and the increase in retail volumes sold.

Partnership EBITDA in the 2014 six-month period increased \$60.7 million principally reflecting the higher total margin (\$77.8 million) partially offset by higher operating and administrative expenses (\$14.4 million). The increase in operating and administrative expenses reflects, among other things, higher distribution-related expenses associated with the higher retail volumes sold, higher distribution costs caused by the supply challenges in certain regions of the U.S. during the second quarter of Fiscal 2014, and higher uncollectible accounts and general insurance expenses. These increases were partially offset by expense synergies from the integration of Heritage Propane which was completed in Fiscal 2013. Operating and administrative expenses in the prior-year six-month period include \$10.9 million of transition expenses associated with the integration of Heritage Propane. Operating income increased \$60.8 million in the 2014 six-month period principally reflecting the higher total margin (\$77.8 million) partially offset by the slightly higher operating and administrative costs (\$14.4 million).

UGI International:

For the six months ended March 31,

(Millions of dollars)

	2014	2013	Increase (decrease)	
Revenues	\$ 1,407.8	\$ 1,348.4	\$ 59.4	4.4 %
Total margin (a)	\$ 404.2	\$ 410.4	\$ (6.2)	(1.5)%
Operating and administrative expenses	\$ 247.2	\$ 232.6	\$ 14.6	6.3 %
Operating income	\$ 120.7	\$ 139.4	\$ (18.7)	(13.4)%
Income before income taxes	\$ 105.5	\$ 124.1	\$ (18.6)	(15.0)%
Retail gallons sold (millions) (b)	347.9	350.7	(2.8)	(0.8)%
Antargaz degree days—% (warmer) colder than normal (c)	(12.4)%	2.3%	—	—
Flaga degree days—% (warmer) colder than normal (c)	(15.8)%	1.6%	—	—

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

(b) Excludes retail gallons from operations in China.

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

Based upon heating degree day data, temperatures during the 2014 six-month period at our UGI International European LPG operations were significantly warmer than normal compared to temperatures in the prior-year six-month period that were slightly colder than normal. Total retail gallons sold were slightly lower, notwithstanding the effects of the significantly warmer weather, reflecting incremental retail gallons associated with the BP Poland acquisition. During the 2014 six-month period, the average wholesale commodity price for propane in northwest Europe was approximately 11.5% lower than in the prior-year period while the average wholesale commodity price for butane was approximately 3.7% lower than the prior-year period.

UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during each of the reporting periods. The functional currency of a significant portion of our UGI International results is the euro. During the 2014

and 2013 six-month periods, the average un-weighted translation rate was approximately \$1.36 and \$1.31 per euro, respectively. The difference in euro to U.S. dollar translation rates and, to a lesser extent, the difference in the British pound sterling to the U.S. dollar, did not have a material impact on net income attributable to UGI.

UGI International revenues were \$59.4 million higher than the prior-year period notwithstanding the effects of the warmer weather principally reflecting greater total revenues at Flaga (\$104.0 million), primarily the result of the BP Poland acquisition and the currency conversion effects of the slightly stronger euro, partially offset by lower total revenues at Antargaz (\$34.6 million) and, to a lesser extent, at AvantiGas. Cost of sales increased to \$1,003.6 million in the 2014 six-month period from \$938.0 million in the prior-year period as greater cost of sales at Flaga (\$97.4 million), primarily reflecting retail and wholesale gallons associated with the BP Poland acquisition and the effects of the stronger euro, were partially offset by lower cost of sales at Antargaz (\$16.5 million) and, to a much lesser extent, AvantiGas principally as a result of the lower retail LPG gallons sold offset in part by the currency conversion effects of the slightly stronger euro and British pound sterling.

Total UGI International margin decreased \$6.2 million during the 2014 six-month period reflecting lower total margin at Antargaz (\$18.1 million) partially offset by higher total margin at Flaga, due primarily to incremental margin associated with the BP Poland acquisition, and higher total margin at AvantiGas principally the result of higher average retail unit margins.

UGI International 2014 six-month period operating income and income before income taxes were \$18.7 million and \$18.6 million, respectively, lower than the prior-year period principally reflecting the lower total margin (\$6.2 million) offset by increased operating, administrative and depreciation expenses at Flaga (\$9.6 million).

Gas Utility:

For the six months ended March 31,	2014		2013		Increase	
(Millions of dollars)						
Revenues	\$	751.7	\$	616.9	\$	134.8 21.9%
Total margin (a)	\$	337.4	\$	296.6	\$	40.8 13.8%
Operating and administrative expenses	\$	91.0	\$	91.0	\$	— —%
Operating income	\$	216.6	\$	175.5	\$	41.1 23.4%
Income before income taxes	\$	199.8	\$	156.6	\$	43.2 27.6%
System throughput—bcf —						
Core market		65.9		56.7		9.2 16.2%
Total		135.3		122.7		12.6 10.3%
Degree days—% colder (warmer) than normal (b)		12.5%		(0.4)%		— —

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

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

Temperatures in the Gas Utility service territory in the 2014 six-month period based upon heating degree days were 12.5% colder than normal and 12.9% colder than the prior-year six-month period. Total distribution system throughput increased 12.6 bcf principally reflecting a 9.2 bcf (16.2%) increase in demand from Gas Utility's core market customers. Gas Utility system throughput to core-market customers was higher than last year principally reflecting the effects of the significantly colder weather and, to a lesser extent, customer growth due principally to conversions from other fuels prompted by sustained lower natural gas prices and high oil prices.

Gas Utility revenues increased \$134.8 million during the 2014 six-month period principally reflecting higher revenues from core market customers (\$77.2 million), higher revenues from off-system sales (\$45.5 million) and, to a much lesser extent, higher revenues from large firm delivery service customers on higher throughput (\$8.7 million). The increase in core market revenues principally reflects the effects of the higher core market throughput. Gas Utility's cost of gas was \$414.3 million in the 2014 six-month period compared with \$320.3 million in the prior-year period principally reflecting the effects of the greater retail core-market volumes sold (\$43.2 million) and the effects of the higher off-system sales (\$45.5 million).

Gas Utility total margin increased \$40.8 million in the 2014 six-month period principally reflecting higher core market total margin (\$30.7 million) and greater large firm delivery service total margin (\$8.7 million). The higher core market and large firm delivery service total margin reflects the effects of the colder weather and new customer growth.

Gas Utility operating income and income before income taxes during the 2014 six-month period were \$41.1 million and \$43.2 million higher than the prior year, respectively. The increase in Gas Utility operating income principally reflects the \$40.8 million increase in total margin. Operating expenses were about equal to the prior year six-month period as greater 2014 six-month period uncollectible accounts expense was offset principally by lower distribution system maintenance expenses and lower pension and benefit expenses. The increase in Gas Utility income before income taxes reflects the greater operating income (\$41.1 million) and lower interest expense principally reflecting lower average interest rates.

Midstream & Marketing:

For the six months ended March 31,	2014	2013	Increase
(Millions of dollars)			
Revenues (a)	\$ 894.6	\$ 562.5	\$ 332.1 59.0%
Total margin (b)	\$ 202.5	\$ 108.1	\$ 94.4 87.3%
Operating and administrative expenses	\$ 33.8	\$ 28.7	\$ 5.1 17.8%
Operating income	\$ 157.6	\$ 70.9	\$ 86.7 122.3%
Income before income taxes	\$ 155.6	\$ 69.1	\$ 86.5 125.2%

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

(b) Total margin represents total revenues less total cost of sales. Amounts exclude pre-tax (losses) gains from changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and (losses) gains on settled commodity instruments not associated with current period transactions of \$(6.0) million and \$13.7 million during the 2014 six-month period and the 2013 six-month period, respectively.

Midstream & Marketing total revenues increased \$332.1 million in the 2014 six-month period principally reflecting higher natural gas revenues (\$249.3 million) principally from greater natural gas volumes and, to a much lesser extent, higher capacity management (\$49.6 million), peaking (\$26.5 million) and Electric Generation revenues. The increase in natural gas revenues principally reflects higher wholesale and retail natural gas volumes sold and higher natural gas prices. The greater capacity management and peaking service revenues principally reflects higher demand for natural gas pipeline capacity at significantly higher prices caused by periods of extreme cold weather in the Northeast and Mid-Atlantic regions primarily during the months of January and February 2014. The increase in Electric Generation revenues reflects higher electricity production at the Hunlock Creek electricity generating station. Midstream & Marketing cost of sales was \$692.1 million in the 2014 six-month period compared to \$454.4 million in the 2013 six-month period principally as the result of higher natural gas volumes and prices.

Midstream & Marketing total margin increased \$94.4 million (87.3%) in the 2014 six-month period principally reflecting higher capacity management and peaking service total margin (\$66.9 million), higher Electric Generation total margin (\$14.0 million), and higher retail natural gas total margin partially offset by lower retail power total margin. To a much lesser extent, natural gas gathering total margin also increased reflecting incremental margin from the Auburn pipeline extension which was placed in service during the first quarter of Fiscal 2014. The significant increase in total margin from capacity management and peaking activities reflects higher demand for natural gas pipeline capacity at much higher prices as a result of periods of extreme cold weather primarily during January and February which resulted in significant locational basis price differences and increased demand for winter peaking services. The greater total margin from Electric Generation principally reflects the impact of higher unit margins at the Hunlock Creek natural gas-fired electricity generating facility due in large part to lower locally-sourced natural gas feedstock costs, greater electricity production, and higher Electric Generation capacity revenues.

Midstream & Marketing operating income and income before income taxes during the 2014 six-month period were \$86.7 million and \$86.5 million, respectively, higher than the prior-year period reflecting the previously mentioned significant increase in total margin (\$94.4 million) partially offset by higher operating, administrative and depreciation expenses. The higher operating, administrative and depreciation expenses include, among other things, increased expenses associated with storage and natural gas gathering assets, higher uncollectible accounts expense and a \$1.4 million charge relating to the write-off of certain deferred pipeline development costs. Electric Generation operating expenses in the 2014 six-month period were slightly higher largely a result of the increased production at the Hunlock Creek electricity generating facility.

Interest Expense and Income Taxes. Our consolidated interest expense during the 2014 six-month period was \$2.8 million lower principally reflecting slightly lower UGI Utilities and AmeriGas Propane interest expense.

Our consolidated effective income tax rate for the six months ended March 31, 2014, was higher than the prior-year period. The higher effective tax rate in the 2014 six-month period reflects the effects of new tax legislation in France and, to a lesser extent, a

higher proportion of pretax earnings from higher tax rate domestic business units. The new tax legislation in France, among other things, limits Antargaz' ability to deduct interest expense for income tax purposes on certain intercompany debt and increases the corporate surtax rate for a period of two years. Based upon our review of the new tax legislation, provisions of the new tax legislation associated with the deductibility of interest expense on certain intercompany debt at Antargaz applies retroactively to Fiscal 2013. During the three months ended December 31, 2013, the Company recorded income taxes of \$5.7 million to reflect the retroactive effects of the new French tax legislation associated with the deductibility of interest expense on certain intercompany debt.

FINANCIAL CONDITION AND LIQUIDITY

Financial Condition and Liquidity

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

Our cash and cash equivalents totaled \$493.6 million at March 31, 2014, compared with \$389.3 million at September 30, 2013. Excluding cash and cash equivalents that reside at UGI's operating subsidiaries, at March 31, 2014 and September 30, 2013, UGI had \$202.8 million and \$171.6 million, respectively, of cash and cash equivalents.

Long-term Debt and Credit Facilities

The Company's debt outstanding at March 31, 2014, totaled \$3,873.7 million (including current maturities of long-term debt of \$65.0 million and bank loan borrowings of \$260.1 million) compared to debt outstanding at September 30, 2013, of \$3,837.3 million (including current maturities of long-term debt of \$67.2 million and bank loan borrowings of \$227.9 million). Total debt outstanding at March 31, 2014, consists of (1) \$2,494.0 million of Partnership debt; (2) \$667.3 million of UGI International debt; (3) \$648.5 million of UGI Utilities' debt; (4) \$52.5 million of Midstream & Marketing debt; and (5) \$11.4 million of other debt.

AmeriGas Partners. AmeriGas Partners' total debt at March 31, 2014, includes \$2,250.8 million of AmeriGas Partners' Senior Notes, \$198.0 million of AmeriGas OLP bank loan borrowings and \$45.2 million of other long-term debt.

UGI International. UGI International's total debt at March 31, 2014, includes \$523.3 million (€380 million) outstanding under Antargaz' Senior Facilities term loan, \$52 million under Flaga's U.S. dollar-denominated term loan and a combined \$82.3 million (€59.8 million) outstanding under Flaga's three term loans. Total UGI International debt outstanding at March 31, 2014, also includes combined borrowings of \$4.1 million outstanding under all of Flaga's working capital facilities and \$5.6 million (€4.1 million) of other long-term debt.

UGI Utilities. UGI Utilities' total debt at March 31, 2014, includes long-term debt comprising \$450 million of Senior Notes, \$192 million of Medium-Term Notes and \$6.5 million of bank loan borrowings. In March 2014, UGI Utilities repaid \$175 million outstanding under the UGI Utilities Term Loan Credit Agreement with proceeds from the issuance of \$175 million of 4.98% Senior Notes due March 26, 2044. For further information on the 4.98% Senior Notes, see Note 14 to condensed consolidated financial statements.

Credit Facilities

Due to the seasonal nature of the Company's businesses, operating cash flows are generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest. AmeriGas Propane and UGI Utilities primarily use their credit facilities to satisfy their seasonal operating cash flow needs. Energy Services historically has used its Receivables Facility to satisfy its operating cash flow needs. Energy Services also has a \$240 million credit facility that it can use for working capital and general corporate purposes. Flaga principally uses borrowings under its credit agreements to satisfy its operating cash flow needs. Antargaz has generally funded its operating cash flow needs without using its revolving credit facilities and AvantiGas has satisfied its operating cash flow needs from cash on hand. Borrowings under the credit facilities and the Energy Services Receivables Facility are classified as bank loans on the Condensed Consolidated Balance Sheets.

AmeriGas Partners. AmeriGas OLP has a \$525 million unsecured credit agreement (“AmeriGas Credit Agreement”) that expires on October 15, 2016.

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

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

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

Information about the Company’s principal credit agreements as of and for the six months ended March 31, 2014 and 2013, including the average daily and peak bank loan borrowings under the Company’s principal credit agreements is presented in the table below. The Energy Services Receivables Facility is discussed further below and is excluded from the table. There were no borrowings under Antargaz’ credit facility during the six months ended March 31, 2014 or 2013.

(Millions of dollars or euros)	As of March 31, 2014				For the six months ended March 31, 2014	
	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Capacity	Average Borrowings	Peak Borrowings
AmeriGas Credit Agreement	\$525.0	\$198.0	\$64.7	\$262.3	\$203.4	\$320.0
Antargaz Credit Facility	€40.0	€0.0	€0.0	€40.0	N.A.	N.A.
Flaga Credit Agreements	€58.0	€1.2	€32.3	€24.5	€2.2	€3.6
UGI Utilities Credit Agreement	\$300.0	\$6.5	\$2.0	\$291.5	\$45.6	\$84.0
Energy Services Credit Agreement	\$240.0	\$41.0	\$0.0	\$199.0	\$78.4	\$114.0

	As of March 31, 2013				For the six months ended March 31, 2013	
	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Capacity	Average Borrowings	Peak Borrowings
AmeriGas Credit Agreement	\$525.0	\$115.9	\$54.1	\$355.0	\$118.1	\$200.5
Antargaz Credit Facility	€40.0	€0.0	€0.0	€40.0	N.A.	N.A.
Flaga Credit Agreements	€58.0	€3.8	€19.5	€34.7	€5.8	€11.9
UGI Utilities Credit Agreement	\$300.0	\$0.0	\$2.0	\$298.0	\$40.9	\$79.0
Energy Services Credit Agreement	\$240.0	\$36.0	\$0.0	\$204.0	\$50.8	\$85.0

Energy Services has a receivables purchase facility (“Receivables Facility”) with an issuer of receivables-backed commercial paper that is currently scheduled to expire in October 2014. The Receivables Facility provides Energy Services with the ability to borrow up to \$150 million of eligible receivables during the period November 1, 2013 to May 31, 2014, and up to \$75 million of eligible receivables during the period June 1, 2014 to October 31, 2014. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes. Energy Services intends to extend its Receivables Facility prior to its scheduled expiration.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, Energy Services Funding Corporation (“ESFC”), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided

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

During the six months ended March 31, 2014 and 2013, Energy Services transferred trade receivables totaling \$551.8 million and \$524.3 million, respectively, to ESFC. During the six months ended March 31, 2014 and 2013, ESFC sold an aggregate \$251.0 million and \$179.0 million, respectively, of undivided interests in its trade receivables to the bank or commercial paper conduit, as applicable. At March 31, 2014, the balance of ESFC receivables was \$124.1 million and there was \$10.5 million sold to the bank. At March 31, 2013, the outstanding balance of ESFC receivables was \$82.6 million and there was \$11.0 million sold to the commercial paper conduit. During the six months ended March 31, 2014 and 2013, peak amounts sold under the Receivables Facility were \$84.0 million and \$46.5 million, respectively, and average daily amounts sold were \$45.6 million and \$12.3 million, respectively.

Dividends and Distributions. On April 29, 2014, UGI's Board of Directors approved an increase in the quarterly dividend rate on UGI Common Stock to \$0.295 per Common Share or \$1.18 on an annual basis. The new dividend rate reflects an approximate 4.4% increase from the previous quarterly rate of \$0.2825. The new quarterly dividend rate is effective with the dividend payable on July 1, 2014, to shareholders of record on June 16, 2014. In addition, on January 30, 2014, the UGI Board of Directors authorized a share repurchase program for up to 10 million shares of UGI Corporation Common Stock. The authorization permits the execution of the share repurchase program over a four-year period.

On April 28, 2014, the General Partner's Board of Directors approved an increase in the quarterly dividend rate on AmeriGas Partners Common Units to \$0.88 per Common Unit, equal to an annual rate of \$3.52 per Common Unit. The distribution reflects a 4.8% increase from the previous quarterly rate of \$0.84. The new quarterly rate is effective with the distribution payable on May 19, 2014 to unitholders of record on May 9, 2014.

Cash Flows

Due to the seasonal nature of the Company's businesses, cash flows from operating activities are generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the fourth and first fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest.

Operating Activities. Cash flow provided by operating activities was \$483.0 million in the 2014 six-month period compared to \$480.8 million in the 2013 six-month period. Cash flow from operating activities before changes in operating working capital was \$832.6 million in the 2014 six-month period compared to \$729.8 million in the prior-year six-month period. The increase in cash flow from operating activities before changes in operating working capital largely reflects the higher operating results during the 2014 six-month period. Cash required to fund changes in operating working capital totaled \$349.6 million in the 2014 six-month period compared to \$249.0 million in the prior-year six-month period. The increase in cash required to fund changes in operating working capital in the 2014 six-month period reflects, among other things, greater cash needed to fund accounts receivable resulting from the increased 2014 six-month period sales and lower net cash from UGI Utilities' PGC recovery mechanism. This greater use of cash in the current-year period was partially offset by, among other things, the timing and amount of cash payments associated with accounts payable and changes in accrued income taxes.

Investing Activities. Cash flow used by investing activities was \$237.3 million in the 2014 six-month period compared with \$205.9 million in the prior-year period. Investing activity cash flow is principally affected by expenditures for property, plant and equipment; cash paid for acquisitions of businesses; changes in restricted cash balances; and proceeds from sales of assets. Cash payments for property, plant and equipment increased \$39.6 million in the 2014 six-month period as compared with the prior-year six-month period principally reflecting the timing of cash payments for property, plant and equipment at Midstream & Marketing.

Financing Activities. Cash flow used by financing activities was \$145.4 million in the 2014 six-month period compared with \$145.0 million in the prior-year period. Changes in cash flow from financing activities are primarily due to issuances and repayments of long-term debt; net bank loan borrowings; dividends and distributions on UGI Common Stock and AmeriGas Partners Common Units; and issuances of UGI and AmeriGas Partners equity instruments. In March 2014, UGI Utilities repaid \$175 million outstanding under the UGI Utilities Term Loan Credit Agreement with proceeds from the issuance of \$175 million of 4.98% Senior Notes due March 26, 2044.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership and our UGI International operations pay for LPG is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. Their profitability is sensitive to changes in LPG supply costs. Increases in supply costs are generally passed on to customers. The Partnership and UGI International may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of LPG market price risk, the Partnership uses contracts for the forward purchase or sale of propane, propane fixed-price supply agreements and over-the-counter derivative commodity instruments including price swap and option contracts. Our UGI International operations have used over-the-counter derivative commodity instruments and may from time to time enter into other derivative contracts, similar to those used by the Partnership, to reduce market risk associated with a portion of their LPG purchases. Over-the-counter derivative commodity instruments used to hedge forecasted purchases of propane are generally settled at expiration of the contract. In addition, Antargaz hedges a portion of its future U.S. dollar denominated LPG product purchases through the use of forward foreign exchange contracts as further described below.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses derivative financial instruments including natural gas futures and option contracts traded on the NYMEX to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism. At March 31, 2014, the fair values of Gas Utility's natural gas futures and option contracts were net gains of \$2.4 million.

Electric Utility's DS tariffs contain clauses which permit recovery of all prudently incurred power costs, including the cost of financial instruments used to hedge electricity costs, through the application of DS rates. Because of this ratemaking mechanism, there is limited power cost risk, including the cost of financial transmission rights ("FTRs") and forward electricity purchase contracts, associated with our Electric Utility operations. At March 31, 2014, the fair values of Electric Utility's electricity supply contracts were net gains of \$0.4 million. At March 31, 2014, the fair values of Electric Utility's FTRs were not material.

In addition, Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in other income. The amount of unrealized gains on these contracts and associated volumes under contract at March 31, 2014, were not material.

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

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

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

The fair value of unsettled commodity price risk sensitive derivative instruments held at March 31, 2014 (excluding those Gas Utility and Electric Utility commodity derivative instruments which are refundable to or recoverable from customers) was a loss of \$1.1 million. A hypothetical 10% adverse change in the market price of LPG, gasoline, natural gas, electricity and electricity transmission congestion charges would increase such loss by approximately \$34.8 million at March 31, 2014.

Interest Rate Risk

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

Our variable-rate debt at March 31, 2014, includes our bank loan borrowings and Antargaz' and Flaga's variable-rate term loans. These debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz and Flaga have effectively fixed the underlying euribor interest rates on their term loans through their scheduled maturity dates through the use of interest rate swaps. In addition, Flaga's \$52.0 million U.S. dollar-denominated loan has been swapped from fixed-rate U.S. dollars to fixed-rate euro currency at issuance through cross currency swaps, removing interest rate risk and foreign currency exchange risk associated with the underlying interest and principal payments. At March 31, 2014, combined borrowings outstanding under these variable-rate debt agreements, excluding Antargaz' and Flaga's effectively fixed-rate debt, totaled \$260.1 million.

Long-term debt associated with our domestic businesses is typically issued at fixed rates of interest based upon market rates for debt having similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce interest rate risk associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). There were no unsettled IRPAs at March 31, 2014.

The fair value of unsettled interest rate risk sensitive derivative instruments held at March 31, 2014 (including pay-fixed, receive-variable interest rate swaps) was a loss of \$27.8 million. A hypothetical 10% adverse change in the three-month euribor would result in a decrease in fair value of approximately \$1.3 million.

Foreign Currency Exchange Rate Risk

Our primary currency exchange rate risk is associated with the U.S. dollar versus the euro. The U.S. dollar value of our foreign currency denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. From time to time we use derivative instruments to hedge portions of our net investments in foreign subsidiaries ("net investment hedges"). Gains or losses on net investment hedges remain in accumulated other comprehensive income until such foreign operations are liquidated. At March 31, 2014, there were no unsettled net investment hedges outstanding. With respect to our net investments in our UGI International operations, a 10% decline in the value of the associated foreign currencies versus the U.S. dollar, excluding the effects of any net investment hedges, would reduce their aggregate net book value at March 31, 2014, by approximately \$103.9 million, which amount would be reflected in other comprehensive income.

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

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

The fair value of unsettled foreign currency exchange rate risk sensitive derivative instruments held at March 31, 2014, was a loss of \$7.7 million. A hypothetical 10% adverse change in the value of the euro versus the U.S. dollar would result in a decrease in fair value of approximately \$24.6 million.

Derivative Financial Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise large energy companies and major U.S. and international financial

institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits.

Certain of our derivative instrument agreements call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts generally require cash deposits in margin accounts. Declines in natural gas, LPG and electricity product costs can require our business units to post collateral with counterparties or make margin deposits to brokerage accounts. At March 31, 2014 and 2013, restricted cash in brokerage accounts totaled \$4.4 million and \$2.8 million, respectively.

Because a significant portion of our derivative instruments qualify as hedges under GAAP, we expect that changes in the fair value of derivative instruments used to manage commodity, currency or interest rate market risk would be substantially offset by gains or losses on the associated anticipated transactions.

ITEM 4. CONTROLS AND PROCEDURES**(a) Evaluation of Disclosure Controls and Procedures**

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

Remediation Plans

Management and the Board of Directors have completed the remediation of the material weakness related to the accounting for commodity derivative instruments described in Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013. Subsequent to the end of the Company's fiscal year ended September 30, 2013, the Company has taken the following actions to remediate the material weakness: 1) supplemented the Company's technical expertise for evaluating the accounting for commodity derivatives by hiring a Director of Risk and Compliance and utilizing the services of a third-party consultant, 2) enhanced controls over the assessment of new commodity derivative agreements to ensure the appropriate accounting is identified at the inception of the agreement, and 3) enhanced controls over commodity derivative agreements to ensure that any ongoing compliance requirements are appropriately monitored. In addition, management previously discontinued the use of hedge accounting for commodity derivative instruments at Midstream & Marketing and reports mark-to-market adjustments on unsettled derivatives.

(b) Change in Internal Control over Financial Reporting

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

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

In addition to the information presented below and the other information presented in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2013, and Part II, “Item 1A. Risk Factors” in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2013, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

Our international businesses are dependent on their principal propane suppliers, which increases the risks from an interruption in supply and transportation.

Our international businesses are dependent upon their LPG suppliers. There is no assurance that our international businesses will be able to continue to acquire sufficient supplies of LPG to meet demand at prices or within time periods that would allow them to remain competitive. In addition, much of Flaga’s LPG is supplied by Kazakhstan and travels through Russia and Ukraine. The imposition of sanctions on Flaga’s suppliers or a significant change in Flaga’s LPG supply route could lead to supply disruptions and higher costs which could have an adverse impact on our earnings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) The following table sets forth information with respect to the Company’s repurchases of its common stock during the quarter ended March 31, 2014.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1, 2014 to January 31, 2014	0	N/A	0	10 million
February 1, 2014 to February 28, 2014	58,993	\$42.25	58,993	9.9 million
March 1, 2014 to March 31, 2014	44,406	\$44.77	44,406	9.9 million

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

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):

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.1	Term Loan Facility Agreement dated March 21, 2014 by and between UGI Europe, Inc., as borrower, UGI Corporation, as guarantor, and Wells Fargo Bank, National Association, London Branch, as creditor.			
10.2	Guaranty dated March 21, 2014 by and between UGI Corporation, as guarantor, and Wells Fargo Bank, National Association, London Branch, as creditor.			
10.3	UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective November 22, 2013.			
10.4	UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees, as Amended and Restated effective November 22, 2013.			
10.5	UGI Corporation 2009 Deferral Plan, as Amended and Restated Effective January 24, 2014.			
10.6	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 8, 2014.			
10.7	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Employees, dated January 1, 2014.			
10.8	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Stock Unit Grant Letter for Non Employee Directors, dated January 8, 2014.			
10.9	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2014.			
10.10	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2014.			
10.11	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Utilities Employees, dated January 1, 2014.			
10.12	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Utilities Employees, dated January 1, 2014.			
10.13	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Mr. Grady dated February 24, 2014, as Amended and Restated.			
10.14	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for Mr. Grady, dated January 1, 2014.			

10.15	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter (Alerian) for Employees, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.1
10.16	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter (Propane) for Employees, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.2
10.17	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Directors, dated January 8, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.3
10.18	AmeriGas Propane, Inc. Non-Qualified Deferred Compensation Plan, as Amended and Restated effective November 22, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.4
10.19	AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective November 22, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.5
10.20	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter, dated January 16, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.6
10.21	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter for Mr. Grady dated February 24, 2014, as Amended and Restated.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.7
10.22	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. Performance Unit Grant Letter (Alerian) for Mr. Grady, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.8
10.23	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter (Propane) for Mr. Grady, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.9
10.24	FSS Service Agreement No. 79028 effective as of April 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-Q (3/31/14)	10.1
10.25	SST Service Agreement No. 79133 effective as of April 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-Q (3/31/14)	10.2
31.1	Certification by the Chief Executive Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2014, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2014, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2014, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	XBRL Instance			
101.SCH	XBRL Taxonomy Extension Schema			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
101.DEF	XBRL Taxonomy Extension Definition Linkbase			
101.LAB	XBRL Taxonomy Extension Labels Linkbase			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

UGI CORPORATION AND SUBSIDIARIES

SIGNATURES

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

UGI Corporation

(Registrant)

Date: May 9, 2014

By: /s/ Kirk R. Oliver

Kirk R. Oliver

Chief Financial Officer

Date: May 9, 2014

By: /s/ Davinder S. Athwal

Davinder S. Athwal

Vice President - Accounting and

Financial Control and Chief Risk Officer

EXHIBIT INDEX

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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

THIS IS AN IMPORTANT DOCUMENT WHICH SETS OUT THE TERMS AND CONDITIONS OF YOUR FACILITY. PLEASE NOTE THAT ANY BORROWING IS REPAYABLE ON DEMAND. WE RECOMMEND THAT YOU TAKE INDEPENDENT LEGAL ADVICE IF YOU HAVE ANY DOUBTS REGARDING THE TERMS AND CONDITIONS OF THE FACILITY.

Private and Confidential

To: The Directors of
UGI Europe, Inc
2711 Centerville Road, Suite 400
Wilmington, DE 19808 (USA)

Date: 21 March, 2014

Dear Sirs

TERM LOAN FACILITY

In this term loan facility letter (the “**Agreement**”) the following key commercial terms shall apply and shall have the meaning given to them in the table below (the “**Table of Key Commercial Terms**”):-

Wells Fargo Bank, N.A.
Registered Office: One Plantation Place,
30 Fenchurch Street,
London EC3M 3BD.
Registered in England and Wales. Registration Number BR009065.
Authorised and regulated by the Financial Services Authority

Bank:	Wells Fargo Bank, National Association, London Branch
Borrower:	UGI Europe, Inc., a Delaware corporation with registered number 3355322 and with its registered address at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 (USA).
Guarantor:	UGI Corporation, a Pennsylvania corporation with registered number 2069197 and with its registered address at 460 North Gulph Road, King of Prussia, Pennsylvania 19406 (USA)
Facility:	Term loan facility in a principal amount up to the Facility Limit to be made available by the Bank to the Borrower in accordance with the provisions of this Agreement (the " <u>Term Loan Facility</u> ")
Currency:	euros (€)
Facility Limit:	€256,000,000
Purpose:	general corporate purposes, including but not limited to intragroup loans

Availability Period:	The period commencing on the date of satisfaction of the conditions precedent set out in clause 4 (Conditions Precedent) (the " <u>Effective Date</u> ") and ending on the date falling 30 days after the Effective Date
Margin:	1.25% per annum
Interbank Rate:	LIBOR (overnight rate)
Fees:	Arrangement Fee
Repayment Date:	The earlier of (i) the date of written demand by the Bank; (ii) the date on which the Loan is prepaid; or (ii) the Final Repayment Date.
Final Repayment Date:	The date falling 30 days after the date of the Agreement
Repayment Amount:	256,000,000
Guarantee:	US law governed parent company guarantee from the Guarantor in relation to the obligations of the Borrower under this Agreement and the other Finance Documents (if any)
Finance Documents:	The Agreement The Guarantee
Financial Covenants:	Not applicable
Borrower Notice Details:	Address: 460 North Gulph Road, King of Prussia, Pennsylvania 19406 (USA) Facsimile: (610) 992 – 3259 For the attention of: Daniel Platt, Treasurer
Offer Period:	The period starting on the date of this Agreement and ending on the date falling 30 days after the date of this Agreement.

We are pleased to advise you that the Bank is agreeable to making available to the Borrower the Term Loan Facility in a principal amount not exceeding the Facility Limit by way of a single drawing on the following terms and subject to the following conditions:

1. **DEFINITIONS**

1.1 In this Agreement:-

"**Affiliate Bank**" means any bank or corporation which is wholly owned by the ultimate holding corporation of the Bank;

"**Arrangement Fee**" means the arrangement fee (if any) specified in the row labelled "Fees" in the Table of Key Commercial Terms;

"**Availability Period**" shall have the meaning given thereto in the Table of Key Commercial Terms;

"**Bank**" shall have the meaning given thereto in the Table of Key Commercial Terms and such expression shall include its successors, transferees and assigns;

"**Bank Basis**" means a calculation made on the basis of the actual number of days elapsed or, as appropriate, to elapse and a 360 or 365 day year (as is customary in the Relevant Interbank Market for the Currency);

"**Borrowed Money**" means Indebtedness incurred in respect of (i) money borrowed or raised, (ii) any bond, note, loan stock, debenture, bill of exchange, commercial paper or similar instrument (including share capital carrying a right to a preferential dividend or redeemable at the option of shareholders or the issuer thereof at any time), (iii) acceptance or documentary credit facilities, (iv) rental payments under leases and hire-purchase agreements (excluding any amounts applicable to finance charges) (in all cases whether in respect of land, buildings, machinery, equipment or otherwise) entered into primarily as a method of raising finance or of financing the acquisition of the asset the subject thereof, (v) interest rate swaps, currency swaps, financial options, futures contracts or other similar instruments, (vi) guarantees, bonds, stand-by letters of credit or other instruments issued in connection with the performance of contracts, (vii) obligations under conditional or instalment sale agreements or any other obligation to pay the deferred purchase or construction price of assets or services, except trade accounts arising in the normal course of day-to-day trading, (viii) guarantees or other assurances against financial loss in respect of Indebtedness of any person falling within any of (i) to (vii) above and (viii) all other Indebtedness under any arrangement entered into primarily as a method of raising finance (and not in the normal course of, and as part of, day-to-day trading) and which is not referred to in the foregoing paragraphs of this definition;

"**Borrower**" shall have the meaning given thereto in the Table of Key Commercial Terms;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for domestic and foreign exchange business in London and (if the Currency is euro) any TARGET Day;

"**Code**" means the US Internal Revenue Code of 1986;

"**CTA**" means the Corporation Tax Act 2009;

"**Currency**" shall have the meaning given thereto in the Table of Key Commercial Terms;

"**Dangerous Substances**" means any radioactive emissions and any natural or artificial substances (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substances) capable of causing harm to man or any other living organism supported by the environment, or damaging the environment or public health or welfare, including any controlled, special, hazardous, toxic, radioactive or dangerous waste;

"Debenture" means, if a debenture is specified in the row labelled "Finance Documents" in the Table of Key Commercial Terms, such debenture in form and substance satisfactory to the Bank dated on or about the date hereof and made by the Borrower in favour of the Bank;

"Environmental Law" means all laws, regulations, codes of practice, circulars, guidance notices and the like binding on the Borrower, (whether of the United Kingdom or elsewhere and including any directive of the European Community which is so binding) concerning the protection of human health or the environment or the conditions of the workplace or the generation, transportation, storage, treatment or disposal of Dangerous Substances;

"Environmental Licences" means any permit, licence, authorisation, consent or other approval required by any Environmental Law;

"EURIBOR" means, if EURIBOR is specified as the applicable Interbank Rate in the Table of Key Commercial Terms:

- (a) the percentage per annum determined by the Banking Federation of the European Union for the relevant period displayed on the appropriate page of the Reuters screen (or if the relevant page is replaced or the service ceases to be available, such other page or service displaying the appropriate rate as the Bank specifies), or
- (b) if no such rate is available the rate (rounded upwards if necessary to 4 decimal places) at which the Bank is offered deposits of euro by leading banks in the European interbank market,

in each case at or about 11.00 a.m. (London time) on the Quotation Day for euro and for a period comparable to the relevant Interest Period or other period for which EURIBOR is being calculated and, if that rate is less than zero, EURIBOR shall be deemed to be zero;

"Event of Default" means any one of the events specified in Clause 12 or any event which with the passing of time or the giving of notice or the making of any determination, formation of any opinion or fulfilment of any other condition would constitute such an event;

"Facility Limit" shall have the meaning given thereto in the Table of Key Commercial Terms;

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA;

"FATCA Exempt Party," means a party to this Agreement that is entitled to receive payments free from any FATCA Deduction;

"Final Repayment Date" shall have the meaning given thereto in the Table of Key Commercial Terms;

"Finance Documents" means this Agreement, the Guarantee, the Debenture (if any), the Overdraft Facility (if any), the Revolving Credit Facility (if any) and any other document specified as a Finance Document in the Table of Key Commercial Terms, any certificates or notices given pursuant to this Agreement and any other document designated as such by the Bank;

"Financial Covenants" means the financial covenants (if any) specified in the Table of Key Commercial Terms (either directly or by reference to a schedule to this Agreement) with which Borrower must comply under this Agreement;

"Group" means the group comprising the Borrower and each of its subsidiary undertakings from time to time and any other person(s) the accounts of which are consolidated with those of the Borrower in accordance with generally accepted accounting principles and bases from time to time as applied, on a consistent basis, to the Borrower and "member of the Group" shall be construed accordingly;

"Guarantee" means the US law governed guaranty dated on or about the date hereof and made by the Guarantor in favour of the Bank as security for the Borrower's obligations to the Bank and shall include any other guarantee or security given to the Bank by the Guarantor as security for the performance of the Borrower's obligations to the Bank;

"Guarantor" shall have the meaning given thereto in the Table of Key Commercial Terms;

"Indebtedness" includes any obligation whether as principal or as surety for the payment or repayment of money, whether present or future, actual or contingent;

"Interbank Rate" shall have the meaning given thereto in the Table of Key Commercial Terms;

"Interest Payment Date" in relation to any Interest Period means the last day of such Interest Period;

"Interest Period" means the period ending on the Repayment Date and commencing on the date the drawing of the Term Loan Facility is made;

"ITA" means the Income Tax Act 2007;

"LIBOR" means, if LIBOR is specified as the Interbank Rate in the Table of Key Commercial Terms:

- (a) the British Bankers' Association Interest Settlement Rate for the relevant currency and period displayed on the appropriate page of the Reuters screen (or if the relevant page is replaced or the service ceases to be available, such other page or service displaying the appropriate rate as the Bank specifies), or
- (b) if no such rate is available the rate (rounded upwards if necessary to 4 decimal places) at which the Bank is offered deposits of the relevant currency by leading banks in the London interbank market,

in each case at or about 11.00 a.m. (London time) on the Quotation Day for the currency of that Loan and a period comparable to the relevant Interest Period or other period for which LIBOR is being calculated and, if that rate is less than zero, LIBOR shall be deemed to be zero;

"Loan" means the aggregate amount lent to the Borrower in accordance with Clause 3, or, where the context so requires, the principal amount thereof outstanding from time to time;

"Mandatory Costs" means in relation to any Interest Period or other period, the cost to the Bank of complying with all reserve, special deposit, capital adequacy, solvency, liquidity ratios, fees or other

requirements of or imposed by the Bank of England, the Prudential Regulation Authority, the Financial Conduct Authority, the European Central Bank or any other governmental or regulatory authority for the time being attributable to the Loan or any unpaid sum (rounded up if necessary to 4 decimal places) as conclusively determined by the Bank;

"Margin" shall have the meaning given thereto in the Table of Key Commercial Terms;

"Notice of Drawing" means the notice substantially in the form set out in Schedule 2 (Notice of Drawing);

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury;

"Overdraft Facility" means, if an overdraft facility is specified in the row labelled "Finance Documents" in the Table of Key Commercial Terms, such overdraft facility in form and substance satisfactory to the Bank dated on or about the date hereof and made between the Borrower and the Bank;

"Permitted Encumbrance" means any Security Interest (or in the case of (c) only, any lien):-

- (a) arising pursuant to the Debenture (if any);
- (b) created or outstanding with the prior written consent of the Bank;
- (c) arising by operation of law (and not as a result of any default or omission on the part of the Borrower) in the ordinary course of business and securing obligations not more than three months overdue;
- (d) arising under any retention of title arrangements (other than "all moneys" retention of title arrangements) entered into in the ordinary course of trading and not entered into primarily for the purpose of securing any Indebtedness; and
- (e) over goods or documents of title to goods arising in the ordinary course of trading in connection with documentary credit transactions where such Security Interest secures only so much of the acquisition cost or selling price (and amounts incidental thereto) of such goods and products which is required to be paid within 180 days after the date upon which the same was first incurred;

"Prepayment Fee" means the Prepayment Fee (if any) specified in the row labelled "Fees" in the Table of Key Commercial Terms;

"Purpose" shall mean the purpose for which the Term Loan Facility is to be used as set out in the Table of Key Commercial Terms;

"Quotation Day," means, in relation to any Interest Period or other period for which an interest rate is to be determined, (if the Currency is sterling) the first day of that period or (if the Currency is euro) two Business Days before the first day of that period;

"Relevant Interbank Market" means, if the Currency is euro, the European interbank market and, if the Currency is sterling, the London interbank market;

"Repayment Date" shall have the meaning given thereto in the Table of Key Commercial Terms;

"Repayment Amount" shall mean the amount to be repaid on each Repayment Date as set out in the Table of Key Commercial Terms (either directly or by reference to a schedule to this Agreement);

"Revolving Credit Facility" means, if a revolving credit facility is specified in the row labelled "Finance Documents" in the Table of Key Commercial Terms, such revolving credit facility in form and substance satisfactory to the Bank dated on or about the date hereof and made between the Borrower and the Bank;

"Sanctioned Country" means a country or territory which is subject to:

- (a) general trade, economic or financial sanctions embargoes imposed, administered or enforced by (i) the US government and administered by OFAC, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom; or
- (b) general economic or financial sanctions embargoes imposed by the US government and administered by the US State Department, the US Department of Commerce or the US Department of the Treasury or any agency or bureau thereof;

"Sanctions" means:

- (a) economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the US government and administered by OFAC, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom; and
- (b) economic or financial sanctions imposed, administered or enforced from time to time by the US State Department, the US Department of Commerce or the US Department of the Treasury or any agency or bureau thereof;

"Sanctions List" means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by (a) the US government and administered by OFAC, the US State Department, the US Department of Commerce or the US Department of the Treasury (b) the United Nations Security Council (c) the European Union or (d) Her Majesty's Treasury of the United Kingdom, each as amended, supplemented or substituted from time to time;

"Security Interest" means any mortgage, charge, pledge, lien, encumbrance, conditional sale or other title retention agreement, trust arrangement, preferential right or other agreement or arrangement the economic or commercial effect of which is similar to security or any other security interest whatsoever, howsoever created or arising;

"subsidiary" and "subsidiary undertaking" shall have the meanings given to them by Sections 1159 and 1162 (respectively) of the Companies Act 2006 (as amended);

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

"TARGET day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty, fine or interest payable in connection with any failure to pay or any delay in paying any of the same); and

"Term Loan Facility," shall have the meaning given thereto in the row labelled "Facility" in the Table of Key Commercial Terms.

1.2 Headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Expressions hereinbefore defined shall have the same meanings herein. Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa and words denoting persons shall include companies, corporations and partnerships and vice versa.

1.3 Any reference in this Agreement to:-

"accounts" are references to the balance sheet and profit and loss account and cashflow statement of the relevant company together with all relevant notes thereto or reports thereon, whether required by law or regulation or otherwise (and, if applicable, both on a consolidated and an unconsolidated basis);

the "assets" of any person shall include the undertaking, property, revenues and assets (present and future) of whatsoever nature of such person;

a "Clause" or a "Schedule" are, unless otherwise provided, references to clauses of and schedules to this Agreement;

"€" or "euros" is a reference to the single currency of the participating member states;

the "date of this Agreement" is a reference to the date of this letter set out above;

"fees" shall, subject to any contrary indication, be construed so as to include (where applicable) disbursements and any VAT on such fees and/or disbursements required to be charged;

"generally accepted accounting principles and bases" means in relation to a company the generally accepted accounting principles and bases of the jurisdiction in which such company is incorporated;

"month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day provided that, if a period starts on the last day of a calendar month or there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "months" shall be construed accordingly);

"participating member state" means any member state of the European Union which has the euro as its lawful currency in accordance with the legislation of the European Union relating to Economic and Monetary Union;

a "person" shall be construed as a reference to any person, firm, company, partnership, corporation or unincorporated body of persons or any State or Government or any agency thereof;

"£" or "sterling" is a reference to the lawful currency of the United Kingdom;

"tax" shall be construed so as to include any present or future tax, levy, impost, duty, fee, deduction or withholding or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying out any of the same) and "taxes" and "taxation" shall be construed accordingly;

an amount denominated in "£" (sterling) shall, where appropriate in Clauses 10, 11 and 12, refer to the equivalent of such amount in any other currency; and

a time of day is a reference to London time.

- 1.4 Any reference in this Agreement to an agreement or document shall be construed as a reference to that agreement or document as the same may have been, or may from time to time be, varied, amended, supplemented, substituted, novated or assigned.
- 1.5 References in this Agreement to statutes and/or statutory provisions shall be construed as referring to such statutes or statutory provisions as respectively replaced, amended, extended, consolidated or re-enacted from time to time and shall include any order, regulation, instrument or other subordinate legislation made under the relevant statute or statutory provisions.
- 1.6 Nothing in this Agreement is intended to confer on any person any right to enforce any provision of this Agreement which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

2. PURPOSE

The Borrower undertakes to the Bank that the Term Loan Facility shall be applied solely in and towards the Purpose.

3. AMOUNT

Subject to the terms and conditions of this Agreement, the Bank agrees to make available to the Borrower the Term Loan Facility in an amount not to exceed the Facility Limit.

4. CONDITIONS PRECEDENT

- 4.1 The rights of the Borrower under this Agreement to draw down the Term Loan Facility are conditional upon:-
 - (a) the Bank having received, in form and substance satisfactory to it, all of the documents and other evidence listed in Schedule 1 (Conditions Precedent) to this Agreement;
 - (b) the Borrower and Guarantor having received all material governmental, shareholder and third party consents and approvals necessary (or any other material consents as determined in the reasonable discretion of the Bank) in connection with the transactions contemplated by this Agreement and the other Finance Documents and all applicable waiting periods shall have expired without any action being taken by any person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on either of the Borrower or the Guarantor or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of the Bank could reasonably be expected to have such effect;
 - (c) no action, proceeding or investigation shall have been instituted, threatened or proposed before any governmental authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Finance Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Bank's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Finance Documents or the consummation of the transactions contemplated hereby or thereby;

- (d) the Borrower and the Guarantor shall have provided to the Bank the documentation and other information requested by the Bank in order to comply with requirements of the PATRIOT Act, applicable "know your customer" and anti-money laundering rules and regulations; and
- (e) all documents, certificates and instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Bank and the Bank shall have received copies of all other documents, certificates and instruments reasonably requested thereby, with respect to the transactions contemplated by this Agreement.

5. DRAWING THE LOAN

5.1 Subject as provided below and to:-

- (a) the conditions set out in Clause 4 having been fulfilled by no later than 10.00 a.m. on the second Business Day preceding the date on which the drawing of the Term Loan Facility is to be made hereunder (or such later time as the Bank may agree);
- (b) no Event of Default having occurred; and
- (c) the Bank having received the Notice of Drawing by no later than 9.30 a.m. on the second Business Day preceding the proposed date of such drawing (or such later time as the Bank may agree), duly completed and signed by the Borrower and specifying:-

(i) the date on which the proposed Loan is to be made (which shall be a Business Day); and

(ii) the amount of the proposed Loan (which shall not exceed the Facility Limit),

together with evidence showing that such drawing will be used for its agreed purposes in form and substance satisfactory to the Bank,

the Bank shall, upon and subject to the terms and conditions of this Agreement, make available the Loan to the Borrower on the day and in the amount specified in and in accordance with the Notice of Drawing, or if such day is not a Business Day on the next succeeding Business Day provided that no drawing of the Term Loan Facility shall be made available hereunder after the last day of the Availability Period and accordingly the obligations of the Bank to make the Term Loan Facility available shall be cancelled at the end of the Availability Period.

6. INTEREST

6.1

- (a) The rate of interest applicable to each Interest Period shall be the rate per annum determined by the Bank to be the aggregate of (i) the Margin, (ii) the Interbank Rate and (iii) the Mandatory Costs (if any); and
- (b) Interest on each drawing under the Term Loan Facility at the rate(s) aforesaid shall be calculated for each Interest Period on the Bank Basis, shall accrue from day to day and be paid on each Interest Payment Date.

6.2 If any sum due and payable by the Borrower hereunder is not paid on the due date therefor or if any sum due and payable by the Borrower under any judgment of any court in connection herewith is not paid on the date of such judgment, such unpaid sum shall bear interest until the obligation of the

Borrower to pay any such sum is discharged in full at the rate per annum which is determined by the Bank to be the aggregate of (1) the Margin, (2) the Interbank Rate for such periods as the Bank may reasonably select, (3) the applicable Mandatory Costs (if any) and (4) three per cent (3%) with such interest being compounded at the end of each period selected by the Bank.

7. ALTERNATIVE INTEREST RATES

- 7.1 Notwithstanding anything to the contrary herein contained, if prior to the commencement of any Interest Period or other period pursuant to Clause 6.2 the Bank shall have determined that:-
- (a) by reason of circumstances affecting the Relevant Interbank Market adequate and fair means do not exist for ascertaining the Interbank Rate applicable to such Interest Period pursuant to Clause 6.1 or other period pursuant to Clause 6.2; or
 - (b) deposits in the currency of such Loan are not or will not be available to the Bank in the Relevant Interbank Market in sufficient amounts in the ordinary course of business to fund any Loan for such Interest Period or other period,
- then the Bank shall as soon as practicable give written notice of such determination or notice to the Borrower.
- 7.2 In the case of Clause 7.1 if the Term Loan Facility has not yet been drawn it shall not be so drawn and if the Loan is outstanding the liability of the Bank to maintain the Loan shall cease except, in each case, in accordance with the following provisions of this Clause 7.
- 7.3 During the period of thirty days from the date of any such notice given pursuant to Clause 7.1 the Bank shall establish (in consultation with the Borrower) an alternative basis (in this Clause 7 referred to as the "Substitute Basis") for funding the Loan (including but without limiting the generality hereof, agreeing a suitable alternative length of Interest Period and agreeing the fixing of an alternative interest rate to be substituted for the rate which would otherwise have been fixed pursuant to Clause 6). The Substitute Basis shall reflect all costs to the Bank of making available and maintaining the Loan and the Margin including the Mandatory Cost and shall be computed in a manner and for a period as similar to those provided in Clause 6.1 as is reasonably possible.
- 7.4 If the Bank shall agree such Substitute Basis with the Borrower it shall again be open to the Borrower (subject to all the other terms of this Agreement) to request that the Term Loan Facility be drawn or to request that the Bank maintain the Loan, as the case may be, and the Borrower shall, until the circumstances specified above no longer exist, pay interest on the Loan on such Substitute Basis. In default of agreement upon a mutually acceptable Substitute Basis within 30 days of the notice referred to in Clause 7.1 the Bank shall be discharged from any further obligation to make available the Term Loan Facility or to maintain the Loan, as the case may be, and if the Loan shall be outstanding, the Borrower shall repay forthwith to the Bank the Loan together with interest thereon to the date of repayment at a rate equal to the Bank's cost of funding the same plus the Margin and all other amounts payable to the Bank hereunder.
- 7.5 The certificates, confirmations and determinations of the Bank as to any of the matters referred to in this Clause 7 shall, save for manifest error, be conclusive and binding on the Borrower.

8. REPAYMENT

- 8.1 The Borrower shall repay the Loan in full in one instalment, together with all interest accrued thereon, on the sooner of (i) the Final Repayment Date or; (ii) immediately upon receipt of written demand by the Bank.

9. PREPAYMENT

- 9.1 The Borrower may on giving two days' written notice at any time prepay (upon payment to the Bank of the Prepayment Fee (if any)) and subject to Clause 17.1) the whole (but not part only) of the Loan together with interest thereon accrued to the date of prepayment, such notice specifying the date of the prepayment and accompanied by the Prepayment Fee and evidence satisfactory to the Bank that all authorisations, consents and approvals, if any, necessary for such prepayment have been obtained.
- 9.2 Any notice of intended prepayment pursuant to this Clause 9 shall be irrevocable and it shall be obligatory for the Borrower to make the prepayment in accordance with such notice.
- 9.3 The Borrower shall not be entitled to prepay the Loan or any part thereof otherwise than in accordance with the provisions of this Agreement and any amount prepaid may not be reborrowed.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 The Borrower represents and warrants to the Bank on each date that any amount remains outstanding, or capable of being drawn down, under any of the Finance Documents as follows:-
- (a) it is a Delaware corporation and it is duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated and is duly authorised and empowered under the said laws to own its assets and to carry on its business and it has the power to execute, deliver and perform and has taken all necessary corporate action to authorise the execution and delivery of and the performance of its obligations under the Finance Documents to which it is a party and all other documents referred to herein or therein to which it is a party;
 - (b) each of the Finance Documents to which it is a party has been duly executed on its behalf and constitutes its legal, valid and binding obligations enforceable in accordance with its terms and the execution and performance of all of such documents will not breach, conflict with or contravene any provisions of any law, statute, rule, regulation, agreement, indenture, undertaking, and articles of incorporation or other constitutional documentation or any other instrument binding upon it or on any of its assets or give cause for acceleration of any of its Indebtedness or result in the existence of or oblige it to create any Security Interest over all or any of its present or future revenues, assets or properties;
 - (c) it is not in default under any agreement, instrument, arrangement, obligation or duty to which it is a party or by which it is or may be bound and there is no action, litigation, lawsuit or proceeding taking place or pending or, to the best of the Borrower's knowledge threatened against or affecting it before any court, judicial, administrative, arbitral or governmental body or agency which in any such case could result in any material adverse change in its financial condition, assets, business or operations taken as a whole;
 - (d) all actions, licences, consents, exemptions and registrations (including, without limitation filings with all governmental or any other regulatory body, authority, bureau or agency and any consents or approvals required for the execution of, or the performance by it of its obligations under, the Finance Documents to which it is a party) required for the validity and enforceability of the Finance Documents to which it is a party have been obtained and are

in full force and effect and any condition contained therein or otherwise applicable thereto has been fulfilled or complied with;

- (e) all its obligations and liabilities under the Finance Documents to which it is a party constitute its direct, unconditional and general obligations and rank at least pari passu with all its other present and future Indebtedness and liabilities other than in respect of Permitted Encumbrances;
- (f) at the date hereof all the information provided by it, or any of its officers or any person on its/their behalf to the Bank in connection with this Agreement is true and accurate in all material respects and is not aware of any material facts or circumstances that have not been disclosed to the Bank and which, if disclosed, could adversely affect the decision of a person considering whether or not to provide finance to the Borrower on the terms and subject to the conditions of this Agreement;
- (g) its latest management accounts give a true and fair view of its financial condition as at the date to which such accounts are made up and there has been no material adverse change in its financial condition, business or operations since such date;
- (h) no Dangerous Substance has been or is being used, disposed of, generated, stored, transported, dumped, deposited, buried or omitted at, on, from or under any premises (whether or not owned, leased, occupied or controlled by it in circumstances where this might result in a liability on any such person, which, if proven, might in the opinion of the Bank have a material adverse effect on the ability of the Borrower to perform its obligations under the Finance Documents;
- (i) all requisite Environmental Licences have been obtained and all Environmental Licences and other applicable Environmental Laws have at all times been complied with;
- (j) *[intentionally left blank]*
- (k) there are no Security Interests over or in respect of the whole or any part of its assets other than Permitted Encumbrances, if any;
- (l) it shall not be:
 - (i) using nor will use the proceeds of the Term Loan Facility for the purpose of financing or making funds available directly or indirectly to any person or entity which is currently listed on a Sanctions List or currently located in a Sanctioned Country, to the extent such financing or provision of funds would currently be prohibited by Sanctions or would otherwise cause any person to be in breach of Sanctions - including but not limited to OFAC sanctions where such financing or provision of funds is or would be conducted by a person in the United States of America;
 - (ii) contributing nor will contribute or otherwise make available the proceeds of the Term Loan Facility to any other person or entity for the purpose of financing the activities of any person or entity which is currently listed on a Sanctions List or currently located (or ordinarily resident) in a Sanctioned Country, to the extent such contribution or provision of proceeds would currently be prohibited by Sanctions or would otherwise cause any person to be in breach of Sanctions - including but not limited to OFAC sanctions where such contribution or provision of proceeds is or would be conducted by a person in the United States of America;

- (m) to Borrower's knowledge, it (i) has not been and is not targeted under any Sanctions; nor (ii) has it violated nor is violating any applicable Sanctions; and
- (n) no Event of Default has occurred.

11. COVENANTS AND UNDERTAKINGS

11.1 Positive Covenants

The Borrower covenants and undertakes with the Bank that so long as any amount remains outstanding, or capable of being drawn down or any liability to the Bank subsists, under any of the Finance Documents it shall:-

- (a) if requested, furnish to the Bank as soon as the same become available and in any event within 120 days of the end of each of its financial years a copy of its audited accounts (consolidated if appropriate) prepared in accordance with generally accepted accounting principles and bases consistently applied, audited by a firm of auditors acceptable to the Bank and representing a true and fair view of its financial position at the date of such accounts and the results of its operations for the period ended on such date together with a certificate from the auditors confirming that the Borrower is in compliance with the Financial Covenants (if applicable);
- (b) if requested, furnish to the Bank within 45 days of the end of each financial quarter a copy of the quarterly management accounts for the Borrower representing a true and fair view of its financial position at the date of such accounts and the results of its operations for the quarter ended on such date;
- (c) promptly furnish to the Bank such additional financial or other information as the Bank may from time to time reasonably require;
- (d) comply with all applicable laws (including all Environmental Law) and regulations of all governmental and regulatory authorities relating to or affecting any of its or any of its subsidiary undertakings' assets and/or business and will obtain and promptly renew from time to time and comply with the terms of all consents, approvals, authorisations, licences (including all Environmental Licences) and/or exemptions which may be necessary to enable it properly to operate their respective business and for the Borrower to carry out its obligations under each of the Finance Documents;
- (e) notify the Bank in writing immediately on becoming aware of any Event of Default with a description of any steps which it is taking or considering taking in order to remedy or mitigate the effect of the Event of Default or otherwise in connection with it;
- (f) notify the Bank promptly, and in any event within 14 days of its becoming aware of the same, in writing of any litigation or proceeding which is commenced, pending or threatened in respect of it or any of its subsidiary undertakings, where the litigation concerned could result in a liability of more than £250,000 on the part of any of the same;
- (g) ensure and procure that at all times it and each of its subsidiary undertakings is able to pay their respective debts as they fall due and that any obligation owed to its or any of its subsidiary undertakings' creditors is met on the due date therefor or within any applicable originally agreed credit period;

- (h) take out and fully maintain insurances for such risks, perils and contingencies and for such amounts and on such terms as are, in each case, normally insured against by prudent persons carrying on the same class (or classes) of business as that carried on by it (including, in any event, cover in respect of loss of profit); and
- (i) *[intentionally left blank]*
- (j) comply with the Financial Covenants (if any).

11.2 Negative Covenants

The Borrower covenants and undertakes with the Bank that so long as any amount remains outstanding, or capable of being drawn down or any liability to the Bank subsists, under any of the Finance Documents it shall not:-

- (a) without the prior written consent of the Bank, create or attempt to create or permit to subsist any Security Interest of any kind, other than any Permitted Encumbrances, over the whole or any part of its respective undertaking, property, assets or revenues;
- (b) carry out any business other than the business it presently carries out at the date hereof, nor shall it make or permit any change in the scope or nature of its business or cease to carry on its business;
- (c) sell, transfer, assign, lease, charter, lend or otherwise dispose of or part with possession or the ownership of or any interest in any of its property, assets, revenues or undertaking or any part thereof save in the ordinary course of business and shall not enter into or undertake any invoice discounting or factoring arrangements;
- (d) issue any shares, debentures, dividends or other securities without the prior written consent of the Bank;
- (e) without the prior written consent of the Bank, create or attempt to create or permit to subsist any Indebtedness or enter into banking or other credit facility arrangements of whatsoever nature or any interest rate or other exchange or hedging agreement other than with the Bank or otherwise incur any Borrowed Money obligations (other than under the Finance Documents in the case of the Borrower or as have been notified to the Bank and approved by the Bank in writing or otherwise with the approval of the Bank in writing);
- (f) *[intentionally left blank]*
- (g) *[intentionally left blank]*
- (h) amend its articles of incorporation or other constitutional documentation in any way or amend its accounting reference date without the prior written consent of the Bank;
- (i) make any loans to, grant credit to, grant indemnities in respect of, or guarantees in support of, or invest in, any third party other than ordinary course of business travel and expense advances or intragroup loans; or

- (j) deal with its book or other debts or accounts receivable (however the same shall be described) otherwise than in the ordinary course of getting in and realising the same, which expression shall not include or extend to the selling or assigning or in any other way factoring or discounting of any such debts or accounts receivable or otherwise.

12. EVENTS OF DEFAULT

12.1 In the event that:-

- (a) the Borrower or the Guarantor shall fail to pay any sum required to be paid under any Finance Document to which it is a party in the case of principal or interest on the due date therefor or in the case of any other payment within 3 Business Days of the due date therefor; or
- (b) the Borrower or the Guarantor shall default in the due performance or observance of any other covenant, undertaking, condition or provision on its part contained in any Finance Document to which it is a party and such default is not capable of remedy, or if in the opinion of the Bank capable of remedy, shall not have been remedied to the satisfaction of the Bank within 14 days of the earlier of the Bank serving notice on the Borrower or the Guarantor (as appropriate) requiring the same to be remedied and the Borrower or the Guarantor (as appropriate) becoming aware of the same; or
- (c) any representation, warranty or statement made or deemed to be made by the Borrower or the Guarantor in or pursuant to any Finance Document to which it is a party (including in any certificate or notice made or delivered pursuant thereto) and which the Bank considers to be material shall be untrue or incorrect in any material respect when made or repeated or if any event occurs as a result of which any such representation, warranty or statement if repeated at any time hereafter with reference to the facts subsisting at the time of such repetition, would be untrue or incorrect in any material respect; or
- (d) any Indebtedness of the Guarantor with the Bank or an Affiliate Bank shall by reason of breach or default become due and payable or capable of being declared due and payable prior to its stated maturity or due date or if any such Indebtedness is not paid at the maturity thereof or due date therefor (or within any originally stated applicable grace period) or, if payable on demand, is not paid on demand or if any Security Interest in respect of such Indebtedness created by the Guarantor becomes enforceable and steps are taken to enforce the same; or
- (e) any other Borrowed Money exceeding £250,000 in aggregate of the Borrower shall by reason of breach or default become due and payable or capable of being declared due and payable prior to its stated maturity or due date or if any such Borrowed Money is not paid at the maturity thereof or due date therefor (or within any originally stated applicable grace period) or, if payable on demand, is not paid on demand or if the Borrower fails to pay when due any amount payable by it under any present or future guarantee or indemnity in respect of Borrowed Money or if any Security Interest in respect of Borrowed Money created by the Borrower becomes enforceable and steps are taken to enforce the same; or
- (f) the Borrower becomes insolvent or applies for or consents to or suffers the appointment of a liquidator, administrator, receiver, administrative receiver, encumbrancer, trustee in bankruptcy or similar official of the whole or any part of its assets, business, property, revenues or undertaking or a petition is presented with a view to or application made for the appointment of an administrator of the Borrower or the Borrower takes any proceedings under any law, regulation or procedure for adjustment, deferment or rescheduling of its indebtedness or any part thereof or makes or enters into a general assignment or arrangement or composition with or for the benefit of its creditors or a moratorium shall be

declared on any of its indebtedness or any creditor of the Borrower exercises a contractual right to take over the financial management of the Borrower or the Borrower is unable to pay its debts as defined in section 123 Insolvency Act 1986 or the Borrower fails generally to pay its debts as and when they fall due or if proceedings are commenced or threatened against the Borrower which, if adversely determined, would result in a liability on the part of any such person in excess of £250,000 or any similar event or occurrence shall take place under the laws of any other jurisdiction applicable to the Borrower; or

- (g) any judgment or order in an amount exceeding £250,000 made against the Borrower is not stayed or complied with within 30 days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, a material part of the undertakings, assets, rights or revenues of any such person and is not discharged within 30 days; or
- (h) an order is made or resolution is passed for the winding-up, liquidation or dissolution of the Borrower or analogous proceedings are taken or the Borrower stops or threatens to stop payments generally or the Borrower ceases or threatens to cease to carry on its business or any part thereof; or
- (i) any event or occurrence which is analogous or similar to the matters referred to in paragraphs (e), (f), (g) or (h) above shall take place under the laws of any jurisdiction in relation the Guarantor; or
- (j) there is any change in ownership of any of the issued ordinary shares of the Borrower which results in any single person or group of persons acting in concert (as defined in the City Code on Takeovers and Mergers) acquiring control (as defined in Section 840 of the Income and Corporation Taxes Act 1988) of the Borrower, as the case may be, without the prior written consent of the Bank; or
- (k) it becomes unlawful or impossible or contrary to the terms of any consent, authority or other permission for the Borrower to perform or to continue to perform any of its obligations under any of the Finance Documents to which it is a party or if any of such documents ceases to be in full force and effect or ceases to constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with its respective terms; or
- (l) any event or series of events (including without limitation any adverse change in the business, assets or financial condition of the Borrower) shall occur giving reasonable grounds in the opinion of the Bank for the belief that the Borrower will not, or will not be able, to perform or comply with any of its obligations expressed to be assumed by it under or in connection with any of the Finance Documents to which it is a party; or
- (m) any governmental authority or any person or entity acting or purporting to act under any governmental authority shall have taken any action in order to condemn, seize or appropriate, or to assume custody or control of the Borrower or of all or any substantial part of the property or assets of the Borrower or shall have taken any action to curtail the authority in the overall conduct of its business or operations of the Borrower; or
- (n) if provided, any accounts of the Borrower delivered pursuant to Clause 11.1(a) are qualified to the effect that they do not or may not give a true and fair view of the financial position of the Borrower; or
- (o) it becomes unlawful or impossible for the Guarantor to perform or to continue to perform any of its obligations under the Finance Documents to which it is a party or the Guarantor

shall default in the due performance or observance of any covenant, undertaking or provision on its part contained in the Guarantee or the security constituted by the Guarantee ceases to be continuing or in full force or effect or the Guarantee shall be terminated or the validity or applicability thereof to any sums due or to become due hereunder is disaffirmed by or on behalf of the Guarantor,

then in any such case and at any time thereafter while such event is continuing, the Bank may by written notice to the Borrower:-

- (1) declare that the obligations of the Bank to make or, as the case may be, maintain the Loan shall be cancelled, whereupon the same shall be cancelled; and/or
- (2) declare the principal amount of the Loan and all accrued interest in relation to the Loan and any other sums payable under the Finance Documents to be due and payable, whereupon the same shall become immediately due and payable together with accrued interest thereon to the date of actual payment; and/or
- (3) declare that all or any part of the sums referred to in paragraph (2) above shall henceforth be repayable on demand; and/or
- (4) direct enforcement of, or take any other action in relation to, the Debenture (if any) and/or the Guarantee; and/or
- (5) apply the rate of interest referred to in Clause 6.2 to all or any part of the principal amount of the Loan, any accrued interest and any other sums payable under the Finance Documents; and/or
- (6) waive the Event of Default.

13. FEES AND EXPENSES

13.1 The Borrower will pay to the Bank the Arrangement Fee on the date the Borrower countersigns this Agreement.

13.2 The Borrower shall reimburse the Bank promptly on demand (and without prejudice to such obligations and notwithstanding the other provisions of this Agreement authorises the Bank to deduct the same from any account of the Borrower with the Bank from time to time to the extent that any of the following are outstanding) and on a full indemnity basis, for all fees and all expenses (including but not limited to all legal, travel and other out-of-pocket expenses and all VAT thereon) incurred by the Bank in connection with the preparation, negotiation, completion, execution and, where applicable, registration and filing of the Finance Documents and all documents in connection therewith and shall reimburse the Bank for all expenses (including but not limited to management time and all legal, travel and other out-of-pocket expenses and VAT thereon) incurred in connection with granting any waivers under or agreeing amendments to or variations in any of the same or in protecting any of its rights hereunder or thereunder or in suing for or recovering any sums due to it or in the preservation or enforcement of any of its rights hereunder or thereunder.

13.3 The Borrower shall reimburse the Bank on demand in respect of liability to all stamp, registration and other like duties and taxes (including all VAT), if any, in each case payable in connection with the execution, delivery and performance of the Finance Documents and all other documents in connection therewith whether by the Borrower or the Bank or any other party thereto and whether arising as a result of an election or otherwise or in connection with the enforcement of any of the

Finance Documents and all such other documents and will indemnify the Bank from any and all liabilities with respect to or resulting from any delay or omission to pay such duties or taxes.

- 13.4 The Borrower shall indemnify the Bank, within ten business days after demand therefor, for the full amount of any taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Finance Document (other than tax on its overall net income or profits) payable or paid by the Bank or required to be withheld or deducted from a payment to the Bank and any reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant governmental authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Bank, shall be conclusive absent manifest error.
- 13.5 Upon the occurrence of any Event of Default the Borrower shall reimburse the Bank for any subsequent operating and/or management charges or costs of the Bank relating to the Finance Documents (including the subsequent operation and management of the Term Loan Facility), the matters contemplated thereby and the Loan, as determined by the Bank.

14. FATCA

14.1 FATCA Information

- (a) Subject to paragraph (c) below, the Borrower shall, within ten Business Days of a reasonable request by the Bank:
- (i) confirm to the Bank whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to the Bank such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as the Bank reasonably requests for the purposes of the Borrower's compliance with FATCA.
- (b) If the Borrower confirms to the Bank pursuant to Clause 14.1(a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, the Borrower shall notify the Bank reasonably promptly.
- (c) Paragraph (a) above shall not oblige either the Bank or the Borrower to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If the Borrower fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:
- (i) if the Borrower failed to confirm whether it is (and/or remains) a FATCA Exempt Party then the Borrower shall be treated for the purposes of this Facility Agreement as if it is not a FATCA Exempt Party; and

- (ii) if the Borrower failed to confirm its applicable "passthru payment percentage" then the Borrower shall be treated for the purposes of this Facility Agreement (and payments made thereunder) as if its applicable "passthru payment percentage" is 100%,

until (in each case) such time as the Borrower provides the requested confirmation, forms, documentation or other information.

14.2 FATCA Deduction

- (a) Each party to this Agreement may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party to this Agreement shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each party to this Agreement shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the other party to this Agreement to whom it is making the payment.

15. CHANGES IN CIRCUMSTANCES

15.1 If after the date of this Agreement by reason of (1) the introduction of or any change in law or in its interpretation, administration or application and/or (2) compliance with any new request, directive or requirement of whatsoever nature, from or requirement of any central bank or other fiscal, monetary or competent authority (whether or not having the force of law):-

- (a) there is any increase in the cost to the Bank of agreeing to make, fund or maintain or of making, funding or maintaining all or any part of the Loan or any unpaid sums due to it under any of the Finance Documents; or
- (b) the Bank suffers a reduction in the amount of any payment received or receivable by it or forgoes any interest or other return on or in relation to the Loan or suffers a reduction in return on capital as a result of having entered into any of the Finance Documents and assumed or performed its obligations thereunder; or
- (c) the Bank becomes liable to make any payment on or calculated by reference to the amount of any sum received or receivable by it or owed to it under any of the Finance Documents (other than tax on its overall net income or profits),

(each an "Increased Cost") then the Borrower shall from time to time promptly on demand pay to the Bank amounts sufficient to indemnify the Bank against, as the case may be, any such cost, reduction, forgoing or liability provided always and it is hereby agreed that:-

- (i) the Bank shall promptly notify the Borrower of the happening of such event;
- (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "change in law", regardless of the date enacted, adopted or issued; and

- (ii) at any time after receipt of notice under paragraph (i) and so long as the circumstances giving rise to such cost, reduction, forgoing or liability continue, the Borrower may on giving the Bank not less than five Business Days' irrevocable notice, cancel the Bank's obligation to make or, as the case may be, to maintain the Loan and repay the whole (but not part only) of the Loan together with all interest and other sums payable by the Borrower to the Bank pursuant to any of the Finance Documents.

15.2 Clause 15.1 does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction as defined in Clause 16.2;
- (b) compensated for by Clause 16.2;
- (c) attributable to the wilful breach by the Bank of any law or regulation;
- (d) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a revised framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding Basel III) ("Basel II") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, the Bank or any Affiliate Bank); or
- (e) attributable to a FATCA Deduction required to be made by a party to this Agreement.

Where:

"Basel III" means:

- (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (ii) the rules for global systemically important banks contained in "Global systemically Important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

15.3 In the event that by reason of any change in applicable law, regulation or regulatory requirement or in the interpretation or application thereof after the date hereof the Bank shall be of the opinion that it is or has become unlawful, illegal or otherwise prohibited for the Bank to make or maintain or give effect to all or any of its obligations as contemplated by any of the Finance Documents, the Bank shall give notice to the Borrower to that effect and thereupon, the liability of the Bank to make or, as the case may be, to maintain the Loan shall cease and the Borrower shall repay to the Bank on or before the latest day (being, if possible, the last day of any Interest Period) permitted by such law, regulation or regulatory requirement the whole of the Loan, together with all interest and other sums outstanding and/or payable by the Borrower to the Bank pursuant to any of the Finance Documents.

16. PAYMENTS

- 16.1 For the purposes of this Agreement, any payment to be made by the Borrower hereunder shall be made in the Currency in cleared immediately available funds not later than 11.00 a.m. (local time in the country in which such payment is to be made) on the due date to the account of the Bank at Wells Fargo Bank, National Association, London Branch (or to any other account at such bank and place which the Bank may from time to time specify).
- 16.2 All sums received by the Bank under any of the Finance Documents, whether in respect of principal, interest, fees, costs or otherwise, shall be received in full without any set-off or counter-claim by the Borrower free and clear of and without any deduction or withholding for or on account of any present or future income or other taxes, levies, imposts, duties, charges or withholdings for and on account of Tax (other than a FATCA Deduction) ("Tax Deduction"). In the event that any Tax Deduction from any payment for the account of the Bank under any of the Finance Documents shall be required or in the event that any payment on or in relation to any amount received by the Bank on account of tax or otherwise shall be required to be made, in each case under any present or future law, directive, regulation or practice, then the Borrower shall immediately notify the Bank upon becoming aware of the requirement to make the Tax Deduction and shall forthwith pay to the Bank such additional amounts as will result (after the making of such Tax Deduction) in the receipt and retention by the Bank of the same amount which would otherwise have been received and retained by it pursuant to such Finance Document had no such Tax Deduction been made.
- 16.3 A payment shall not be increased under Clause 16.2 by reason of a Tax Deduction from a payment under this Agreement, on account of Tax imposed by the United Kingdom if on the date on which the payment falls due the payment could have been made to the Bank without a Tax Deduction if the Bank had been a Qualifying Lender, but on that date that Bank is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became the Bank under this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or published concession of any relevant taxing authority.

Where:

"Qualifying Lender" means a lender:

- (i) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or
- (ii) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance.

- 16.4 If the Borrower is required to make a Tax Deduction, the Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 16.5 Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Bank a statement under section 975 of the ITA or other evidence reasonably satisfactory to the Bank that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- 16.6 If any sum becomes due for payment pursuant to any Finance Document on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and the amount of any interest or other fee shall, if not already taken into account, be adjusted accordingly.
- 16.7 In the case of a partial payment under any Finance Document, the Bank may appropriate such amount in satisfaction of the obligations of the Borrower in such order as it shall in its absolute discretion think fit and any such appropriation shall override any appropriation made by the Borrower or the Guarantor.
- 16.8 If the Borrower pays any increased amount under Clause 16.2 and the Bank actually receives or is granted a credit against or remission for any income or corporation tax payable by it, the Bank shall, to the extent that it can do so without prejudice to the retention of the full amount of such credit or remission, reimburse to the Borrower such amount of such credit or remission as the Bank shall in its sole opinion have concluded to be applicable to such deduction or withholding. Nothing herein contained shall affect the right of the Bank to arrange its tax affairs as it thinks fit and in particular, the Bank shall be under no obligation to claim relief from any tax on its corporate profits or similar tax liability in respect of the imposition of such tax and, if the Bank does claim any such relief, it shall be under no obligation to claim the same in priority to any other claims, reliefs, credits or deductions available to it and shall not in any event be obliged to disclose any matter relating to its tax affairs or computations to any person.
- 16.9 If the Borrower is or becomes bound to pay any increased amount under Clause 16.2 then, so long as such obligation continues, it shall be entitled at any time on giving to the Bank not less than five Business Days' irrevocable notice to prepay the whole (but not part only) of the Loan together with all accrued interest and other amounts payable by the Borrower to the Bank pursuant to any of the Finance Documents.

17. INDEMNITIES

- 17.1 The Borrower shall on demand by the Bank indemnify the Bank for all amounts as the Bank may certify to be necessary to compensate it for all costs, expenses, liabilities and losses sustained or incurred by it as a result of (1) any default in payment by the Borrower of any sum under any of the Finance Documents when due, (2) any failure (by reason of any breach or default of the Borrower) to borrow in accordance with Clause 5, (3) the happening of any Event of Default and/or (4) any repayment or prepayment of the Loan or any part thereof otherwise than in accordance with Clause 8.1 (including in each case but not limited to any losses or expenses sustained or incurred in liquidating or re-deploying deposits from third parties acquired to effect or maintain any amounts paid or carried by the Bank, loss of interest and/or loss of Margin). The certificate of the Bank as to the aforesaid amounts shall, save for any manifest error, be conclusive.
- 17.2 Any payment or payments made to the Bank in a currency (the currency in which the relevant payment is being made is hereinafter referred to as the "Relevant Currency") other than the currency in which it is expressed to be due hereunder (the "Due Currency") shall only constitute a discharge to the Borrower to the extent of the Due Currency amount which the Bank is able, on the date or dates of receipt by the Bank of such payment or payments in the Relevant Currency (or, in the case of any

such date which is not a Business Day, on the next succeeding Business Day) to purchase with the amounts so received by the Bank on such date or dates. If the amount of Due Currency which the Bank is so able to purchase falls short of the Due Currency amount originally due to the Bank under this Agreement the Borrower shall immediately reimburse the Bank in the Due Currency any such shortfall and shall indemnify the Bank against any direct loss or damage arising as a result of a failure to make such reimbursement. This indemnity shall constitute a separate and independent obligation from the other obligations contained in this Agreement.

17.3 The Borrower shall on demand by the Bank indemnify the Bank and any receiver or other similar official appointed by the Bank and their respective officers, employees, agents and delegates (together the "Indemnified Parties") against any cost or expense suffered or incurred by them or any of them which:

- (a) arises by virtue of any actual or alleged breach of any Environmental Law (whether by the Borrower, an Indemnified Party or any other person);
- (b) would not have arisen if this Agreement or the other Finance Documents had not been executed; and
- (c) was not caused by the gross negligence or wilful misconduct of the relevant Indemnified Party.

17.4 To the fullest extent permitted by applicable law, the Borrower and the Guarantor shall not assert, and hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Finance Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any loan or the use of the proceeds thereof. No Indemnified Party referred to in clause shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Finance Documents or the transactions contemplated hereby or thereby.

18. SET-OFF

The Borrower hereby authorises the Bank to apply any credit balance (whether matured or unmatured) to which it is entitled on any of its accounts with the Bank in or towards satisfaction of any sum due to the Bank by the Borrower under any of the Finance Documents. For this purpose, the Bank is hereby authorised in the name of the Borrower to do all acts (including breaking time deposits and purchasing one currency with another) and to sign all documents as may be required to effect such application. The Bank shall not be obliged to exercise any right conferred or acknowledged by this Clause 18 and nothing expressed or implied in any of the Finance Documents shall in any way affect any rights which the Bank may have under applicable law.

19. ACCOUNTS AND CERTIFICATES

- 19.1 The Bank shall open and maintain on its books in accordance with its normal practice a loan account evidencing the amounts from time to time advanced by and owing to it hereunder which loan account shall be prima facie evidence of such amounts.
- 19.2 Each certificate issued and determination made by the Bank under this Agreement of a rate of interest, calculation of fees, costs, expenses, liabilities, losses or otherwise shall, in the absence of manifest error, be conclusive.

20. WAIVERS

No delay or omission of the Bank in exercising any right, power or privilege under any of the Finance Documents shall operate to impair such right, power or privilege or be construed as a waiver thereof and any single or partial exercise of any such right, power or privilege shall not preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided under any of the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

21. ASSIGNMENT

- 21.1 This Agreement shall be binding upon and inure for the benefit of the Borrower, the Bank and their respective successors.
- 21.2 The Borrower shall not assign or transfer any of its rights and/or obligations under any of the Finance Documents.
- 21.3 The Bank at any time may transfer all or any part of its rights, benefits and obligations under the Finance Documents by assigning to any one or more other banks (each of which is hereinafter in this Clause 21 called an "Assignee Bank") all or any part of the Bank's rights and benefits thereunder provided that (1) the Bank shall, provided no Event of Default has occurred and is continuing, consult with the Borrower prior to any such transfer, (2) such Assignee Bank shall agree to perform that percentage of the Bank's obligations hereunder as corresponds to that percentage of the Bank's rights and benefits so assigned to the Assignee Bank and (3) such Assignee Bank shall, by delivery of such undertaking or agreement as the Bank may approve, have become bound by the terms of the Finance Documents, and in such circumstances the Bank may, if it so determines, act as agent for itself and the Assignee Bank for the purposes of the Finance Documents subject to receipt of appropriate indemnities and the Assignee Bank and the Borrower entering into such appropriate documentation with the Bank as the Bank may require. Notice of any such transfer shall promptly be given to the Borrower and the Borrower shall execute such documents as the Bank shall require in order to give effect to any such transfer. For this purpose and for the purpose of entering into any contractual arrangements with any person in relation to the Loan or any matters contemplated by this Agreement the Bank may disclose to a potential Assignee Bank or any such person such information about the Borrower and its assets and condition as the Borrower shall have made available to the Bank hereunder or as shall be known to the Bank otherwise howsoever.
- 21.4 If the Bank transfers its right, benefits and obligations under the Finance Documents as provided in Clause 21.3, all references in the Finance Documents to the Bank shall thereafter be construed as references to the Bank and its Assignee Bank(s) to the extent of their respective participations, if any, and the Borrower shall thereafter look only to the Assignee Bank(s) (to the exclusion of the Bank) in respect of that proportion of the Bank's obligations hereunder as corresponds to such Assignee Bank's respective participation therein and accordingly such Bank's maximum liability hereunder shall be appropriately reduced and the Assignee Bank shall proportionately assume a maximum liability equivalent to such reduction in such Bank's maximum liability.

22. NOTICES

- 22.1 Save as otherwise provided herein, each notice, request, demand or other communication to be given or made under this Agreement shall be given in writing delivered personally or by letter by first class mail, or facsimile to the address or facsimile number of the addressee set out below:-
- (a) in the case of the Bank, if by facsimile to it at 0207 929 4645 and if delivered personally or by letter to it at London Branch, 1 Plantation Place, 30 Fenchurch Street, London EC3M 3BD, in each case marked for the attention of Loan Administration, London and with a copy sent by e-mail to loanadmin.london@wellsfargo.com;
 - (b) in the case of the Borrower, to the address or facsimile number set out in the row labelled "Borrower Notice Details" in the Table of Key Commercial Terms,
- or at any other numbers or addresses or marked for the attention of such other person as the parties hereto may from time to time notify to each other.
- 22.2 Any notice, request, demand or other communication to be given or made under this Agreement shall be deemed to have been delivered, in the case of any notice, request, demand or other

communication given or made by personal delivery or facsimile, on delivery to the correct address or on despatch to the correct facsimile number unless delivered or despatched outside normal business hours when it shall be deemed to be delivered or despatched on the next Business Day and, in the case of any notice, request, demand or other communication given or made by letter, two Business Days after being posted by first class mail, provided that the Notice of Drawing and any notice given to the Bank pursuant to Clause 6.2 shall only be effective when received by the Bank.

23. **PARTIAL INVALIDITY**

In the case that one or more of the provisions contained in this Agreement should prove to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

24. **APPLICABLE LAW**

- 24.1 The law of England and Wales is the law applicable to this Agreement and any non-contractual obligations arising out of or in connection with this Agreement.
- 24.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").
- 24.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 24.4 Without prejudice to any other mode of service allowed under any relevant law, the Borrower irrevocably appoints DLA Piper UK LLP, 1 London Wall, London EC2Y 5EA as its agent for service of process to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in England. Service on the agent will only be deemed good service if it is served with reference "UGI Wells Fargo facility March 2014" for the attention of Nick Marsh (and with a copy to Sarah Day). If for any reason the agent named above (or its successor) no longer serves as agent of the Borrower for this purpose, the Borrower shall promptly appoint a successor agent in England and notify the Bank of the same. The Borrower agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in England and that failure by a process agent to notify the Borrower of the process will not invalidate the proceedings concerned.

Please confirm your agreement to and acceptance of the terms and conditions set out above by signing the acceptance on the enclosed duplicate of this Agreement and returning it to the Bank together with the documents referred to in Clause 4 above by the end of the Offer Period. The offer of the Term Loan Facility shall lapse and shall be deemed to have been withdrawn if the offer is not so accepted within the Offer Period.

Yours faithfully,

.....
For and on behalf of the Bank
WELLS FARGO BANK, NATIONAL ASSOCIATION, LONDON BRANCH

Accepted and Agreed

For and on behalf of the Borrower
UGI Europe, Inc

(Print name and Title)

SCHEDULE 1

Conditions Precedent

1. Constitutional Documents

- (a) A certificate signed by an authorised officer of the Borrower certifying as to the incumbency and genuineness of the signature of each officer of the Borrower executing Finance Documents to which it is a party and including specimen signatures of each and stating, inter alia, that the signing and/or execution of the Finance Documents to which it is a party and the exercise of its rights and the performance of its obligations thereunder is within its corporate powers and will not cause any limitation on its borrowing or other powers or on the right of its directors to exercise any such powers (whether contained in its constitutional documentation or in any agreement or instrument or imposed by statute or regulation or otherwise) to be exceeded (in the form attached hereto as Annex 1 or such other form approved by the Bank):-
- (i) attaching a copy, certified to be true, of its constitutional documents, certified as of a recent date by the appropriate governmental authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and its bylaws currently in effect (Schedule 1 of Annex 1);
 - (ii) attaching certificates as of a recent date of the good standing of the Borrower under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by the Bank, each other jurisdiction where the Borrower is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that the Borrower has filed required tax returns and owes no delinquent taxes; and
 - (iii) attaching a copy, certified as aforesaid, of resolutions at a meeting of the board of directors of the Borrower or via written consent of the directors of the Borrower (in substantially the form attached at Annex 2 or such other form approved by the Bank) and valid resolutions adopted by the directors approving the Finance Documents to which it is a party and all the other documents relating thereto and authorising a person or persons to sign and deliver (or execute as a deed, if appropriate) the Finance Documents to which it is a party and to sign and deliver or despatch all other such documents, notices or communications to be given by it pursuant to or in connection with such Finance Documents.
- (b) A certificate of incumbency of the Guarantor including a list of names and specimen signatures of each of the persons authorised to act on behalf of the Guarantor in transactions with the Bank (in the form attached hereto as Annex 3 or such other form approved by the Bank):-
- (i) attaching a copy, certified to be true, of the constitutional documents of the Guarantor, certified as of a recent date by the appropriate governmental authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and its bylaws currently in effect;
 - (ii) attaching certificates as of a recent date of the good standing of the Guarantor under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by the Bank, each other jurisdiction where the Guarantor is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that the Guarantor has filed required tax returns and owes no delinquent taxes; and
 - (iii) attaching a copy, certified as aforesaid, of resolutions adopted by the board of directors or executive committee thereof of the Guarantor (in substantially the form attached at

Annex 4 or such other form approved by the Bank) and valid resolutions adopted approving the execution, delivery and performance of the Guarantee.

2. Finance Documents

- (a) The enclosed copy of the Agreement with the endorsement thereon duly signed on behalf of the Borrower.
- (b) The parent company guarantee in favour of the Bank (the "Guarantee"), duly executed by the parties thereto.
- (c) Each other Finance Document duly executed by the parties thereto, including (as appropriate) the Debenture (if any), the Overdraft Facility (if any) and the Revolving Credit Facility (if any).

3. Other Documents and Evidence

- (a) If required, any other relevant forms required for the operation of any accounts of the Borrower with the Bank.
- (b) If requested by the Bank, details of all banking and credit facilities and any similar arrangements provided to the Borrower by any bank or other financial institution and the terms of and the basis for continuation of such facilities and arrangements to the extent that they are to be maintained following the initial utilisation of the Term Loan Facility.
- (c) Receipt of any Arrangement Fee payable pursuant to Clause 13.1.
- (d) Such other documents and information as the Bank may reasonably request prior to the date of the Agreement.

SCHEDULE 2

Notice of Drawdown

[On the headed notepaper of the Borrower]

To: Wells Fargo Bank, National Association,
London Branch
1 Plantation Place
London EC3M 3BD

Dear Sirs,

1. We refer to the term loan facility agreement (as from time to time amended, varied, novated or supplemented) (the "**Agreement**") dated 21 March 2014 and made between UGI Europe, Inc as Borrower and Wells Fargo Bank, National Association, London Branch as Bank. Terms used herein shall have the meanings ascribed to them in the Agreement unless the context otherwise requires.
2. We hereby give you notice that, pursuant to the Agreement and on 25 March 2014, we wish to borrow €256,000,000 (two hundred and fifty-six million Euros) upon the terms and subject to the conditions contained therein.
3. We hereby certify that the Loan is to be used for the purposes set out in Clause 2 of the Agreement.
4. The amount referred to in paragraph 2 should be credited to the account of [*specify account(s) into which such amount is to be transferred*] for value on 25 March 2014.
5. We confirm that, at the date hereof, the representations and warranties set out in Clause 10 of the Agreement are true and no Event of Default has occurred.

Yours faithfully,

.....
for and on behalf of the Borrower
UGI Europe, Inc

Form of Borrower Officer's Certificate

OFFICER'S CERTIFICATE

To: Wells Fargo Bank, National Association, London Branch (the "**Bank**")

Date: [Date]

This Certificate is delivered as a condition precedent to the term loan facility letter (the "**Agreement**") dated on or about the date hereof between the Bank and UGI Europe, Inc (the "**Borrower**").

Words and expressions defined in the Agreement have the same meaning in this Certificate.

The officer whose name is printed in the signature page below (the "**Authorised Signatory**") hereby certifies at the date shown at the start of this Certificate without incurring personal liability that:

1. Authorisation

he or she is duly authorised to give this Certificate on behalf of the Borrower;

1. Constitutional Documents

the copies of the Borrower's constitutional documents (which shall include its certificate of incorporation, any certificates of incorporation on change of name, its memorandum (if any), articles of association and any resolutions forming part of its constitution) attached to this Certificate at Appendix 1 (*Constitutional Documents*) are true, complete and up-to-date copies of those documents that remain in full force and effect as at the date of this Certificate;

2. Resolutions

the copies of the resolutions of the board of directors (the "**Resolutions**") attached to this Certificate at Appendix 2 (*Resolutions*) are true, complete and up-to-date copies of those resolutions passed in accordance with the Borrower's constitutional documents and the laws of the Borrower's jurisdiction of incorporation, and those resolutions remain in full force and effect as at the date of this Certificate and have not been amended or superseded;

3. Specimen Signatures

each signature set out below is the specimen signature of the person named next to that signature, who is duly authorised to execute and deliver the Finance Documents to which it is a party and to execute, deliver or despatch all notices, certificates, communications or documents to be given by the Borrower pursuant to or in connection with such Finance Documents (including, for the avoidance of doubt, the Bank's commercial account agreement (if any)):

Name	Position	Specimen Signature

4. Constitutional Powers

the borrowing in full or giving of security (if any) by the Borrower pursuant to the Finance Documents will not cause any borrowing, security, guarantee or similar limit binding on the Borrower to be exceeded.

If the Bank does not receive this Certificate with all relevant documents relating to the Borrower scheduled to it, the Authorised Signatory consents to the Bank inserting into this Certificate copies of any missing documents that are supplied to the Bank by the Borrower or by persons purporting to act on its behalf for inclusion in this Certificate and agrees that the representations above are to be construed as if all subsequent attachments were included in the Certificate on the date set out above.

Print Name:

Position:

Signature:

Appendix 1
Constitutional Documents

Annex 2
Form of Borrower Board Resolution

Form of Certificate of Incumbency

CERTIFICATE OF INCUMBENCY

To: WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank")

The undersigned, _____, Secretary of _____, a corporation created and existing under the laws of _____, hereby certifies to Bank that: (a) each of the following named persons are duly elected officers of this corporation and presently hold the titles specified below; (b) said officers are authorized to act on behalf of this corporation in transactions with Bank; and (c) the signature opposite each officer's name is his or her true signature:

Title Name Signature

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The undersigned further certifies that if any of the above-named officers change, or if, at any time, any of said officers are no longer authorized to act on behalf of this corporation in transactions with Bank, this corporation shall immediately provide to Bank a new Certificate of Incumbency. Bank is hereby authorized to rely on this Certificate of Incumbency until a new Certificate of Incumbency certified by the Secretary of this corporation is received by Bank.

IN WITNESS WHEREOF, I have hereunto set my hand, and if required by Bank affixed the corporate seal of said corporation, as of _____.

Secretary

Form of Guarantor Resolution

GUARANTY

This Guaranty (the "Guaranty") is made effective as of this 21st day of March 2014 (the "Effective Date"), by UGI Corporation ("Guarantor"), a Pennsylvania corporation, in favor of Wells Fargo Bank, National Association, London Branch ("Creditor").

WHEREAS, UGI Europe, Inc. ("Debtor"), a Delaware corporation and Creditor are parties to that certain term loan facility agreement for the principal amount of €256,000,000 dated on or about the date hereof (whether one or more, collectively, the "Agreement"); and

WHEREAS, the execution and delivery of this Guaranty is a condition to Creditor's further performance of its obligations under the terms of the Agreement and Guarantor has agreed to provide assurance for the performance of Debtor's obligations in connection with the Agreement.

NOW, THEREFORE, in consideration of the credit extended to UGI Europe, Inc. under the Agreement, premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby unconditionally, irrevocably and absolutely guarantees as primary obligor and not merely as surety, the punctual payment when due of all of Debtor's payment obligations and payment liabilities arising under the Agreement, as may be amended, restated, supplemented or modified from time to time, together with any interest thereon and all other monetary obligations of Debtor to Creditor under the Agreement, when and as due, including reasonable and documented fees, costs, expenses (including, without limitation, reasonable and documented fees and expenses of counsel incurred by Creditor in enforcing any rights under this Guaranty or the Agreement), contract causes of action and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, fixed or otherwise, however arising and whether now or hereafter incurred, and whether the Debtor may be liable individually or jointly with others (collectively, the "Guaranteed Obligations").
2. **Guaranty Absolute and Unconditional; No Waiver of Obligations.** This is a guaranty of payment and not of collection. Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Agreement, regardless of any law, regulation or order of any governmental authority now or hereafter in effect. The obligations of the Guarantor hereunder are independent of the obligations of the Debtor under the Agreement. A separate action may be brought against the Guarantor to enforce this Guaranty, whether or not any action is brought against the Debtor or whether or not the Debtor is joined in any such action. The liability of the Guarantor hereunder is irrevocable, continuing, absolute and unconditional and the obligations of the Guarantor hereunder, to the fullest extent permitted by applicable law, shall not be discharged or impaired or otherwise effected by, and the Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of: (a) any illegality or lack of validity or enforceability of any of the Guaranteed Obligations or the Agreement or any related agreement or instrument; (b) any change in the time, place or manner of payment of, or in any other term of, the Guaranteed Obligations or any other obligation of the Debtor under the Agreement, or any rescission, waiver, amendment or other modification of any Finance Document (as such term is defined in the Agreement) or any other agreement, including any increase in the Guaranteed Obligations resulting from any extension of additional credit or otherwise; (c) any taking, release, impairment, amendment, waiver or other modification of any guaranty, for the Guaranteed Obligations; (d) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations; (e) any change, restructuring or termination of the corporate structure, ownership or existence of the Debtor or any of its subsidiaries or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Debtor or its assets or any resulting release or discharge of any Guaranteed Obligation; (f) any failure of Creditor to disclose to the Guarantor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Debtor now or hereafter known to Creditor; the Guarantor waiving any duty of the Creditor to disclose such information; (g) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Debtor against Creditor; (h) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of the Debtor or any defect in the formation of Debtor; (i) the application by the Debtor of the proceeds of any Guaranteed Obligations for purposes other than the purposes represented by Debtor to, or intended or understood by, Creditor or Guarantor; (j) any act or omission by Creditor which directly or indirectly results in or aids the discharge of the Debtor or any portion of the Guaranteed Obligations by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Creditor against the Debtor; (k) any impairment of the value of any interest in any security for the Guaranteed Obligations or any portion thereof, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security; (l) any of the Guaranteed Obligations being denominated in a foreign currency, or (m) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by Creditor that might vary the risk of the Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, the Debtor or any other guarantor or surety.
3. **Waiver.** (a) Guarantor hereby unconditionally and irrevocably waives any right to revoke this Agreement and acknowledges that this Agreement is continuing in nature and applies to all Guaranteed Obligations.
 (b) Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by Creditor in reliance hereon or in connection herewith.
 (c) Guarantor hereby unconditionally and irrevocably waives any defense based on any right of set-off or recoupment or counterclaim against or in respect of the Guaranteed Obligations of the Guarantor hereunder.

(d) Guarantor acknowledges that the Creditor may, at its election and without notice to or demand upon the Guarantor, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with the Debtor or any other guarantor or exercise any other right or remedy available to it against the Debtor or any other guarantor, without affecting or impairing in any way the liability of the Guarantor hereunder except to the extent the Guaranteed Obligations (other than contingent or unliquidated obligations or liabilities) have been paid in full or collateralized in full in cash. The Guarantor hereby waives any defense arising out of such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of subrogation, reimbursement, exoneration, contribution or indemnification or other right or remedy of the Guarantor against the Debtor or any collateral. Guarantor hereby unconditionally and irrevocably waives any right to require that suit be brought against, or any other action by Creditor be taken against, or any notice of default or other notice be given to, or any demand be made on, Debtor or any other person, or that any other action be taken or not taken or any other remedy be pursued as a condition to Guarantor's liability for the Guaranteed Obligations or as a condition to the enforcement of this Guaranty against Guarantor, except as expressly defined herein. Guarantor also hereby waives any defense based upon surety or impairment of collateral.

4. **Term; Termination; Extent of Guaranty.** (a) This Guaranty is a continuing Guaranty and shall remain in full force and effect until the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and the Agreement.

(b) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Creditor upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Debtor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

(c) The total liability of Guarantor hereunder, is limited to the maximum amount as will result in the obligations of the Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance under applicable law to the extent applicable to this Guaranty and the obligations of the Guarantor hereunder.

5. **No Conditions.** Guarantor waives any right to require Creditor to make any presentment or demand for performance, or give any notice of nonperformance, protest, notice of protest or notice of dishonor hereunder or in connection with any obligations or evidences of indebtedness held by Creditor as security for or which constitute in whole or in part the Guaranteed Obligations hereunder, or in connection with the creation of new or additional obligations. There are no conditions precedent to the enforcement of this Guaranty. It shall not be necessary for Creditor, in order to enforce payment by Guarantor under this Guaranty, to show any proof of Debtor's default, to exhaust its remedies against Debtor, any other guarantor, or any other person liable for the payment or performance of the Guaranteed Obligations. Creditor shall not be required to mitigate damages or take any other action to reduce, collect, or enforce the Guaranteed Obligations.

6. **Subrogation, Subordination.** Without limiting any other right Creditor has at law or in equity against the Guarantor, if Debtor fails to pay any obligation when and as due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Guarantor agrees to promptly pay the amount of such unpaid obligations to Creditor in cash. Upon payment by Guarantor of any sums to Creditor as provided herein, all of the Guarantor's rights of subrogation, exoneration, contribution, reimbursement, indemnity or otherwise arising therefrom against Debtor shall be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all obligations. In addition, any indebtedness of the Debtor now or hereafter held by Guarantor is hereby subordinated in right of payment to the prior payment in full in cash of the Guaranteed Obligations. The Guarantor hereby subordinates any and all obligations owed to the Guarantor by the Debtor to the Guaranteed Obligations.

Guarantor shall be subrogated to all rights of Creditor against Debtor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to Creditor in full.

If any amount shall be paid to the Guarantor on account of (i) such subrogation exoneration, contribution, reimbursement, indemnity or similar rights or (ii) or any such indebtedness of the Debtor at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Creditor and shall forthwith be paid to Creditor (with any necessary endorsement or assignment) to be applied to the Guaranteed Obligations, whether due or to become due, in accordance with the terms of the Agreement.

7. **Representations and Warranties.** Guarantor represents and warrants to Creditor that: (a) this Guaranty is executed at Debtors' request; (b) Guarantor shall not, without Creditor's prior written consent, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or a substantial or material part of Guarantor's assets other than in the ordinary course of Guarantor's business; (c) Creditor has made no representation to Guarantor as to the creditworthiness of any of the Debtors; (d) Guarantor will not be rendered insolvent by the execution, delivery, and performance of its obligations under this Guaranty, and (e) Guarantor has established adequate means of obtaining from each of the Debtors on a continuing basis financial and other information pertaining to Debtors' financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantor's risks hereunder, and Guarantor further agrees that Creditor shall have no obligation to disclose to Guarantor any information or material about any of the Debtors which is acquired by Creditor in any manner.

8. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by first class mail, registered or certified, return receipt requested, postage prepaid, personally delivered. Notices shall be sent to the following addresses or facsimile number of the addressee set out below:

If to Creditor:

Wells Fargo Bank, National Association, London Branch,
1 Plantation Place,
30 Fenchurch Street,
London
EC3M 3BD
(Fax: (44) (0) 207 929 4645)
and with a copy sent by e-mail to loanadmin.london@wellsfargo.com

If to Guarantor:

UGI Corporation
Attention: Treasurer
460 N. Gulph Rd.
King of Prussia, PA 19406
(Fax: (610) 992-3259)

or at any other numbers or addresses or marked for the attention of such other person as the parties hereto may from time to time notify to each other.

9. **No Waiver; Remedies.** No failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
10. **Taxes.** Any and all payments by Guarantor under or in respect of this Guaranty shall be made free and clear of, and without any deduction for or on account of any present or future taxes. Should any payments by the Guarantor under this Guaranty be subject to any deductions or withholdings whatsoever, Guarantor shall pay additional amounts equal to all amounts deducted or withheld with the effect that Creditor receives and retains all amounts it would have received and retained if no deductions or withholdings were made.
11. **Right of Set-off.** Creditor and its affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, and without prior notice to Guarantor or Debtor, any such notice being expressly waived by the Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Creditor or any such affiliate to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or Guaranty hereafter existing under this Guaranty or the Agreement to Creditor or its Affiliates whether direct or indirect, absolute or contingent, matured or unmatured, and irrespective of whether or not Creditor or its affiliate shall have made any demand under this Guaranty or the Agreement and although such obligations of Guarantor are owed to a branch, office or affiliate of Creditor different from the branch, office or affiliate holding such deposit or obligated on such indebtedness. The rights of Creditor and its affiliates under this Section are in addition to other rights and remedies (including other rights of set-off) that Creditor or such affiliate may have. Creditor agrees to notify Guarantor promptly after any such set off and appropriation and application; provided that the failure to give such notice shall not affect the validity of such set off and appropriation and application.
12. **Indemnification.** (a) Guarantor hereby agrees to indemnify and hold harmless Creditor and each of Creditor's affiliates, and the directors, officers, employees, agents, advisors and representatives of it and its affiliates ("Related Parties") (each such Person being called an "Indemnitee") from any losses, damages, liabilities, claims and related expenses (including the reasonable fees and expenses of a single counsel for each Indemnitee (and, if necessary, one local counsel in each applicable jurisdiction and one regulatory counsel)), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Guarantor) arising out of, in connection with or resulting from this Guaranty (including, without limitation, enforcement of this Guaranty) or any failure of any obligations to be the legal, valid, and binding obligations of the Debtor enforceable against the Debtor in accordance with their terms, whether brought by a third party or by the Guarantor, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (ii) result from a claim brought by the Guarantor against an Indemnitee for material breach in bad faith of such Indemnitee's obligations hereunder or under the Agreement, if the Guarantor or Creditor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (iii) result from a claim brought by one Indemnitee against another Indemnitee that does not involve an act or omission by, or a condition relating to, the Debtor or any affiliate thereof.

(b) To the fullest extent permitted by applicable law, Guarantor hereby agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Guaranty, any other loan document, the Agreement or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any extension of credit or the use of proceeds thereof.

(c) All amounts due under this Section shall be payable promptly after demand therefor.

(d) Without prejudice to the survival of any other agreement of the Guarantor under this Guaranty, the agreements and obligations of the Guarantor contained in Section 2 (with respect to enforcement expenses), Section 3(b), Section 8 and this Section shall survive termination of the Agreement and payment in full of the Guaranteed Obligations and all other amounts payable under this Guaranty.
13. **Assignment; Successors and Assigns.** Creditor may, upon notice to Guarantor, assign its rights hereunder without the consent of

Guarantor. Guarantor may not assign its rights hereunder without the prior written consent of Creditor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives. In connection therewith, Creditor may disclose all documents and information which Creditor now has or hereafter acquires relating to Guarantor and/or this Guaranty, whether furnished by Debtors, Guarantor or otherwise. Guarantor further agrees that Creditor may disclose such documents and information to Debtors.

14. **GOVERNING LAW; SUBMISSION TO JURISDICTION.** THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW.
15. **WAIVER OF JURY TRIAL.** THE PARTIES HERETO HEREBY ACKNOWLEDGE THAT THEY HAVE IRREVOCABLY WAIVED THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION THIS AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT DELIVERED IN CONNECTION HERewith, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.
16. **Submission to Jurisdiction.** Guarantor irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and the Guarantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by applicable law, in such federal court in New York City. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing herein or in any other agreement shall affect any right that Creditor may otherwise have to bring any action or proceeding relating to this Guaranty or any related document against Guarantor or its properties in the courts of any jurisdiction. Guarantor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding arising out of or relating to this Agreement in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
17. **Entire Agreement.** This Guaranty sets forth the entire understanding and agreement between the parties as to matters covered herein and expressly supersedes all prior guarantees, agreements and understandings between the parties, whether oral or written, with respect to the subject matter hereof. Any change, modification, amendment, or alteration of this Guaranty shall be in writing and signed by Guarantor and Creditor and no course of dealing between the parties prior or subsequent to the date of this Guaranty shall be construed to change, modify, amend, alter or waive the terms hereof.

IN WITNESS WHEREOF, UGI Corporation has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of the Effective Date.

UGI CORPORATION

By: /s/ Kirk R. Oliver
Name: Kirk R. Oliver
Title: Chief Financial Officer

UGI CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AND
SUPPLEMENTAL SAVINGS PLAN

As amended and restated effective November 22, 2013

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UGI CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

BACKGROUND

The Senior Executive Retirement Plan for Certain Employees of UGI Corporation and its Subsidiaries and Affiliates (the “Senior Plan”) was established effective as of January 1, 1985. Until April 10, 1992, it was maintained by UGI Utilities, Inc. (formerly named, prior to April 10, 1992, UGI Corporation and hereinafter sometimes referred to as “UGI Utilities”). On April 10, 1992, UGI Utilities became a subsidiary of New UGI Corporation which was renamed UGI Corporation (“UGI”) on the same date. As of April 10, 1992, UGI assumed sponsorship of the Senior Plan and all obligations of UGI Utilities thereunder, and amended and restated the Senior Plan to reflect the transfer of Senior Plan sponsorship. Effective October 1, 1996, the Senior Plan was amended and restated to eliminate participation by employees of AmeriGas Propane, Inc., to re-name the Senior Plan “The UGI Corporation Supplemental Executive Retirement Plan” and to make other changes. Effective January 1, 2005, the UGI Corporation Supplemental Executive Retirement Plan was amended to comply with section 409A of the Internal Revenue Code and was split into two subplans, the Supplemental Executive Retirement Plan and the Supplemental Savings Plan.

The Supplemental Executive Retirement Plan was amended and restated to allow participants to defer their benefit under the Supplemental Executive Retirement Plan pursuant to the UGI Corporation 2009 Deferral Plan. The amendment and restatement of the Supplemental Executive Retirement Plan was effective as of January 1, 2009. The Supplemental Executive Retirement Plan is hereby amended and restated effective as of November 22, 2013, except where otherwise indicated.

ARTICLE I

STATEMENT OF PURPOSE

Sec. 1.01 Purpose. The Supplemental Executive Retirement Plan (the “SERP”) is maintained to provide a fair and competitive level of retirement benefits to certain management and other highly compensated employees who have, by operation of laws and regulations relating to qualified pension benefit plans, experienced a reduction in prospective retirement benefits under the Pension Plan (as defined in Article II). The benefits under the SERP are also designed to compensate terminated participants by taking into account periods of time for which payments are made under a Change in Control Agreement (as defined in Article II) or, for employees whose employment terminated on or after January 1, 2005 and before July 25, 2006, under an Executive Severance Plan (as defined in Article II).

Sec. 1.02 Grandfathered Benefits. The terms of the amended and restated SERP shall not apply to any participant whose employment terminated before January 1, 2005. Notwithstanding anything in the SERP to the contrary, the vested accrued SERP benefit of a participant whose employment terminated before January 1, 2005 shall be paid according to the terms of the UGI Corporation Supplemental Executive Retirement Plan as in effect before January 1, 2005, consistent with the “grandfather” provisions of section 409A of the Internal Revenue Code of 1986, as amended.

ARTICLE II

DEFINITIONS

Sec. 2.01 “Administrative Committee” shall mean the committee designated by the Compensation Committee to administer the SERP.

Sec. 2.02 “Affiliate” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

Sec. 2.03 “Beneficiary” means the person designated by a Participant to receive any benefits payable after the Participant’s death in the event of the Participant’s death after termination of employment with UGI and its subsidiaries and Affiliates. UGI shall provide a form for this purpose. In the event a Participant has not filed a Beneficiary designation with UGI or none of the designated Beneficiaries are living at the date of the Participant’s death, the Beneficiary shall be the Participant’s estate.

Sec. 2.04 “Board” shall mean the Board of Directors of UGI.

Sec. 2.05 “Cause” shall mean misappropriation of funds, habitual insobriety, substance abuse, conviction of a crime involving moral turpitude, or 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 UGI and its Subsidiaries and Affiliates, taken as a whole.

Sec. 2.06 “Change of Control” shall have the meaning set forth on the attached Exhibit A.

Sec. 2.07 “Change in Control Agreement” shall mean a Change in Control Agreement between an Employee and UGI or a Subsidiary (other than AmeriGas Propane, Inc. or its subsidiaries).

Sec. 2.08 “Code” shall mean the Internal Revenue Code of 1986, as amended.

Sec. 2.09 “Compensation Committee” shall mean the Compensation and Management Development Committee of the Board.

Sec. 2.10 “Continuation Period” shall mean, with respect to a Participant who is entitled to receive benefits under a Change in Control Agreement, the Continuation Period as defined in the Participant’s Change in Control Agreement.

Sec. 2.11 “Credited Service” shall mean a year of Credited Service as determined under the Pension Plan.

Sec. 2.12 “Deferral Plan” shall mean the UGI Corporation 2009 Deferral Plan.

Sec. 2.13 “Deferred Earnings” shall mean, for years beginning prior to September 30, 2004, so much of an Employee’s compensation payable under the applicable Executive Annual Bonus Plan as would otherwise be taken into account under the Pension Plan, but which is not taken into account under the Pension Plan due to an election by the Employee to have such compensation deferred to and paid in a subsequent year.

Sec. 2.14 “Effective Date” of the amended and restated SERP shall mean November 22, 2013, except where otherwise indicated. The SERP is a continuation of the pension portion of the UGI Corporation Supplemental Executive Retirement Plan, as in effect before January 1, 2005.

Sec. 2.15 “Employee” shall mean an employee of UGI, UGI Utilities, Inc. or another Subsidiary other than AmeriGas Propane, Inc. or its subsidiaries. In no event shall a person who is characterized as an independent contractor by the employer, no matter how characterized by a court or government agency, be considered an “Employee,” and no retroactive characterization of an individual’s status for any other purpose shall make an individual an “Employee.”

Sec. 2.16 “Employment Commencement Date” shall mean the first day on which a Participant became an employee of UGI, any Subsidiary or Affiliate of UGI, or any entity whose business or assets have been acquired by UGI, by a Subsidiary or Affiliate of UGI or by any predecessor of such entities.

Sec. 2.17 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

Sec. 2.18 “Excess Earnings” shall mean that portion of an Employee’s compensation from UGI or another participating employer hereunder that is not permitted to be taken into account under the Pension Plan by operation of section 401(a)(17) of the Code or any successor thereto, excluding any such compensation earned when the Employee was not a Participant.

Sec. 2.19 “Executive Annual Bonus Plan” shall mean the UGI Corporation Executive Annual Bonus Plan or the UGI Utilities, Inc. Executive Annual Bonus Plan, as amended from time to time, and any successor plans (and for fiscal years through 1996, the AmeriGas Propane, Inc. Executive Annual Bonus Plan).

Sec. 2.20 “Executive Severance Plan” shall mean an executive severance plan of UGI or a Subsidiary or Affiliate (other than AmeriGas Propane, Inc. or its subsidiaries).

Sec. 2.21 “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.

Sec. 2.22 "Participant" shall mean each Employee who meets the requirements of Section 3.01 hereof.

Sec. 2.23 "Pension Plan" shall mean the Retirement Income Plan for Employees of UGI Utilities, Inc., as currently in effect and as it may hereafter be amended, and any plan designated by the Board as a successor thereto.

Sec. 2.24 "Pension Plan Earnings" shall mean so much of an Employee's compensation from UGI or another participating employer hereunder as is taken into account in determining benefits or contributions under the Pension Plan for the relevant period.

Sec. 2.25 "Plan Year" shall mean, effective January 1, 2007, a 12-month period beginning on January 1 and ending on December 31. For periods before January 1, 2007, the Plan Year shall mean a period beginning on October 1 and ending on the following September 30, with a short Plan Year for the period beginning on October 1, 2006 and ending on December 31, 2006.

Sec. 2.26 "Postponement Period" shall mean, for a Key Employee, the period of six months after separation from service as defined by section 409A of the Code (or such other period as may be required by section 409A of the Code), during which SERP benefits may not be paid to the Key Employee under section 409A of the Code.

Sec. 2.27 "SERP" shall mean the UGI Corporation Supplemental Executive Retirement Plan as set forth herein, and as the same may hereafter be amended.

Sec. 2.28 "Subsidiary" shall mean any corporation in which UGI, directly or indirectly, owns at least a 50% interest or an unincorporated entity of which UGI, directly or indirectly, owns at least 50% of the profits or capital interests.

Sec. 2.29 "UGI" shall mean UGI Corporation.

Sec. 2.30 "Vesting Service" shall mean a year of Vesting Service as determined under the Pension Plan.

ARTICLE III

PARTICIPATION

Sec. 3.01 Participants.

(a) Effective as of January 1, 2005, an Employee who meets the requirements of subsection (b), (c) or (d) below shall become a Participant on the first day on which he or she meets the requirements of subsection (b), (c) or (d), as applicable.

(b) Each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is an active participant in the Pension Plan during the applicable Plan Year, and (iii) has Excess Earnings for the Plan Year shall be a Participant in this SERP for purposes of accruing a benefit under Section 5.01 for the applicable Plan Year.

(c) Each Employee who has a Change in Control Agreement that provides for the benefits described in Section 5.02 shall be a Participant in this SERP for purposes of being eligible to receive benefits under Section 5.02.

(d) Each Employee whose employment was terminated on or after January 1, 2005 and before July 25, 2006 and who was entitled to receive a severance benefit under an Executive Severance Plan, as described in Section 5.03, shall be a Participant in this SERP for purposes of being eligible to receive benefits under Section 5.03.

Sec. 3.02 Transfers. If a Participant ceases to meet the requirements of Section 3.01 but continues to be an employee of UGI or a Subsidiary or Affiliate, the former Participant will cease to accrue benefits under the SERP. The former Participant will continue to earn Vesting Service credit with respect to his or her accrued SERP benefit. If, at a later date, the Participant again meets the requirements of Section 3.01, the Participant may accrue additional benefits under the SERP with respect to his or her subsequent service as an eligible Employee. The Participant shall receive his or her vested accrued SERP benefit at the Participant's termination of employment with UGI and its Subsidiaries and Affiliates as described in Article VI.

ARTICLE IV

VESTING

Sec. 4.01 Vesting in Section 5.01 Benefits.

(a) A Participant shall vest in the benefits accrued under Section 5.01 of the SERP when the Participant has five years of Vesting Service. If a Participant's employment with UGI and its Subsidiaries and Affiliates terminates for any reason before the Participant has five years of Vesting Service, all benefits accrued by the Participant under Section

5.01 shall be immediately forfeited, and the Participant shall receive no benefits under Section 5.01.

(b) If a Participant whose employment terminated on or after January 1, 2005 and before July 25, 2006 is entitled to receive a benefit under Section 5.03, the Participant's salary continuation period under the Executive Severance Plan shall be counted as service for purposes of vesting under this SERP.

Sec. 4.02 Vesting in Section 5.02 and Section 5.03 Benefits.

(a) A Participant shall vest in his or her benefits under Section 5.02 of the SERP when the Participant's employment has terminated under the circumstances described in Section 5.02 and the Participant has met all the requirements of the Participant's Change in Control Agreement that entitle the Participant to receive the benefits described in Section 5.02.

(b) A Participant whose employment terminated on or after January 1, 2005 and before July 25, 2006 shall vest in his or her benefits under Section 5.03 of the SERP when the Participant's employment has terminated under the circumstances described in Section 5.03 and the Participant has met all the requirements of the Executive Severance Plan that entitle the Participant to receive the benefits described in Section 5.03.

ARTICLE V

BENEFITS

Sec. 5.01 Pension Benefit. Each Participant who is an active participant in the Pension Plan and who is accruing a benefit under the Pension Plan shall accrue under the SERP a lump sum benefit that is the actuarially equivalent present value of a single life annuity equal to (a) reduced by (b), where:

(a) is the annual accrued benefit, based on a single life annuity, that would have been produced under the Pension Plan if (i) the Participant's Excess Earnings (without regard to the limitations set forth in section 401(a)(17) of the Code) and Deferred Earnings for each year of his active participation in the Pension Plan had been taken into account and (ii) the limitations set forth in section 415 of the Code (or its successor) were inoperative; and

(b) is the annual accrued benefit, based on a single life annuity, that the Participant is entitled to receive under the Pension Plan.

The annual accrued benefit shall be calculated as described in Section 5.06. A Participant shall be entitled to receive his or her vested accrued SERP benefit upon termination of employment as described in Article VI. Sections 5.01, 5.02 and 5.03 shall be administered so as not to result in duplication of benefits.

Sec. 5.02 Change of Control Benefit. In the event of a Change of Control, if and to the extent required by a Participant's Change in Control Agreement, each Participant who is an active participant in the Pension Plan on the date of the Participant's termination of employment and who is entitled to receive the benefits described in this Section 5.02 under a Change in Control Agreement shall receive a lump sum benefit that is the actuarially equivalent present value of a single life annuity equal to (a) reduced by (b), where:

(a) is the annual accrued benefit, based on a single life annuity, that the Participant would have received under the Pension Plan if the applicable Continuation Period had been taken into account in determining the Participant's Vesting Service and Credited Service under the Pension Plan (such benefit to be determined without regard to the limitations set forth in the Code); and

(b) is the Participant's annual accrued benefit, based on a single life annuity, that the Participant is entitled to receive under the Pension Plan.

The annual benefit shall be calculated as described in Section 5.06 as if the end of the Continuation Period were the Participant's termination date. The annual benefit under subsection (a) above shall be calculated as if the Participant had continued in employment during the Continuation Period, earning base salary and bonus at the annual rate calculated for purposes of the Change in Control Agreement. Sections 5.01, 5.02 and 5.03 shall be administered so as not to result in duplication of benefits.

Sec. 5.03 Severance Benefit. The provisions of this Section 5.03 shall apply to a Participant whose employment was terminated by UGI or a Subsidiary or Affiliate on or after January 1, 2005 and before July 25, 2006, if the Participant was entitled to receive a severance benefit under an Executive Severance Plan and the Participant was an active participant in the Pension Plan on the date of the Participant's termination of employment. If required by the terms of the applicable Executive Severance Plan, each such Participant shall receive a lump sum benefit that is the actuarially equivalent present value of a single life annuity equal to (a) reduced by (b), where:

(a) is the annual accrued benefit, based on a single life annuity, that the Participant would have received under the Pension Plan if the applicable salary continuation period, as determined under the Executive Severance Plan, had been taken into account in determining the Participant's Credited Service under the Pension Plan (such benefit to be determined without regard to the limitations set forth in the Code); and

(b) is the Participant's annual accrued benefit, based on a single life annuity, that the Participant is entitled to receive under the Pension Plan.

The annual benefit shall be calculated as described in Section 5.06. The annual accrued benefit under subsection (a) above shall be calculated as if the Participant had continued in employment during the salary continuation period, earning base salary and bonus at the annual rate calculated

for purposes of the Executive Severance Plan. Sections 5.01, 5.02 and 5.03 shall be administered so as not to result in duplication of benefits.

Sec. 5.04 Death Benefits.

(a) If a Participant has earned a vested accrued SERP benefit under Section 5.01 but the Participant dies while employed by UGI or a Subsidiary or Affiliate, the Participant's surviving spouse shall be entitled to receive a lump sum death benefit that is the actuarially equivalent present value of a single life annuity equal to (i) reduced by (ii), where:

(i) is the pre-retirement death benefit that would have been paid under the Pension Plan to the Participant's surviving spouse if (i) the Participant's Excess Earnings (without regard to the limitations set forth in section 401(a)(17) of the Code) and Deferred Earnings for each year of his active participation in the Pension Plan had been taken into account and (ii) the limitations set forth in section 415 of the Code (or its successor) were inoperative; and

(ii) is the pre-retirement death benefit that the Participant's surviving spouse is entitled to receive under the Pension Plan.

No death benefit shall be payable under this subsection (a) if the deceased Participant has no surviving spouse.

(b) If a Participant terminates from employment with UGI and its Subsidiaries and Affiliates and meets all the requirements for eligibility for a benefit under Section 5.01, 5.02 or 5.03, but the Participant dies before the benefit described in Section 5.01, 5.02 or 5.03 is paid, the unpaid lump sum benefit described in Section 5.01, 5.02 or 5.03 shall be paid to the Participant's designated Beneficiary or, if there is no designated Beneficiary, the Participant's estate.

Sec. 5.05 Forfeiture. Each Participant shall immediately forfeit any benefit to which he or she is otherwise entitled under the SERP if the Participant's employment is terminated for Cause.

Sec. 5.06 Calculation of Annual Benefits. The annual accrued benefits described in Sections 5.01, 5.02 and 5.03, and the lump sum present values, shall be calculated as of the Participant's termination date as follows:

(a) If the Participant has attained age 65, the annual benefit shall be calculated as an annual benefit payable at the Participant's termination date, and the lump sum present value shall be calculated as of the Participant's termination date.

(b) If the Participant has attained eligibility for early retirement under the Pension Plan, the annual benefit shall be calculated as an annual benefit payable at the Participant's termination date (or at age 55, if the Participant has not attained age 55, but is eligible for early retirement), after reduction by the Pension Plan's actuarial reduction factors for

early retirement, and the lump sum present value shall be calculated as of the Participant's termination date.

(c) If the Participant has not attained age 65 or attained eligibility for early retirement under the Pension Plan, the annual benefit shall be calculated as an annual benefit payable at age 65, and the lump sum present value shall be calculated as of the Participant's termination date.

(d) For purposes of this SERP, Participant is considered to be eligible for early retirement under the Pension Plan if the Participant has attained age 55 with ten Years of Vesting Service or if the Participant's employment is involuntarily terminated by the Company after the Participant has attained age 50 with 15 Years of Vesting Service.

Sec. 5.07 Actuarial Equivalent. The Compensation Committee shall approve, and may from time to time change, the methodology (including assumptions) pursuant to which an actuarially equivalent benefit is calculated under the SERP. Unless the Committee determines otherwise, the methodology described in Exhibit B shall be used for calculating actuarial equivalence under the SERP. If a Change of Control occurs, the methodology used to calculate actuarial equivalence under the SERP immediately before the Change of Control shall be used to calculate actuarial equivalence for purposes of all benefits payable under the SERP on and after the Change of Control.

ARTICLE VI

BENEFIT DISTRIBUTION

Sec. 6.01 Calculation of Distribution Amount. If a Participant's employment with UGI and its Subsidiaries and Affiliates terminates without Cause, the Administrative Committee shall calculate the Participant's vested accrued SERP benefit under Article V (or the death benefit under Section 5.04(a), in the event of death) as of the Participant's termination date. The Administrative Committee shall calculate the lump sum present value of the vested accrued SERP benefit based on the actuarial assumptions described in Section 5.06.

Sec. 6.02 Form of Benefit Distributions.

(a) Effective January 1, 2005, a Participant's vested accrued SERP benefit shall be paid to the Participant in the form of a lump sum payment upon the Participant's termination of employment with UGI and its Subsidiaries and Affiliates, as described in Section 6.03 below. The vested accrued benefit of a Participant who terminated employment prior to January 1, 2005 shall be paid in accordance with the provisions of the SERP as in effect before January 1, 2005.

(b) If a Participant dies, the lump sum death benefit described in Section 5.04 (if any) shall be paid within 60 days after the Participant's death.

Sec. 6.03 Timing of Benefit Distributions.

(a) A Participant's vested accrued SERP benefit shall be paid to the Participant within 60 days following the Participant's termination of employment with UGI and its Subsidiaries and Affiliates, except as described below. A Participant shall be considered to have incurred a termination of employment under the SERP when the Participant has a "separation from service" under section 409A of the Code. The vested accrued SERP benefit of a Participant who terminated employment prior to January 1, 2005 shall be paid in accordance with the provisions of the SERP as in effect before January 1, 2005.

(b) Notwithstanding the foregoing, if a Participant whose employment terminates after January 1, 2005 is a Key Employee and if required by section 409A of the Code, no SERP benefits shall be paid to the Participant during the Postponement Period. If payment of SERP benefits 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 below, shall be paid in a lump sum payment within 15 days after the end of the Postponement Period. If the Participant dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of section 409A, with interest as described below, shall be paid to the Participant's estate within 60 days after the Participant's death.

(c) The amount to be withheld on account of section 409A shall be calculated as of the Participant's termination date in accordance with the provisions hereof. Interest shall be calculated on the withheld lump sum amount from the Participant's termination

date to the last day of the calendar month preceding the date on which the withheld amount is paid, based on the daily average of the six-month certificate of deposit rates in effect for the month in which the Participant's termination date occurs, as reported in Federal Reserve Statistical Release H.15 or any comparable successor publication.

Sec. 6.04 Deferral Elections. A Participant may make a one-time, irrevocable election to elect to have the present value of the Participant's vested SERP benefit credited to the Participant's account under the Deferral Plan on the date of the Participant's separation from service, in lieu of the payments described in Section 6.02. If the Participant makes a deferral election, the present value of the Participant's vested SERP benefit 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. An election under this Section 6.04 shall be made in writing, on a form and at a time prescribed by the Administrative Committee and shall be irrevocable upon submission to the Corporate Secretary, and no further election shall be available under this SERP.

ARTICLE VII

FUNDING OF BENEFITS

Sec. 7.01 Source of Funds. The obligations of UGI and other participating employers in the Pension Plan shall constitute a general, unsecured obligation, payable solely out of their general assets, and no Participant shall have any right to any specific assets of UGI, or any Subsidiary or Affiliate or any trust established by UGI or any Subsidiary or Affiliate to fund such obligations.

Sec. 7.02 Participant Contributions. There shall be no contributions made by Participants under the SERP.

ARTICLE VIII

THE COMMITTEE

Sec. 8.01 Appointment and Tenure of Administrative Committee Members. The Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee. Any Administrative Committee member may resign by delivering his or her written resignation to the Compensation Committee. Vacancies arising by the death, resignation or removal of an Administrative Committee member may be filled by the Compensation Committee.

Sec. 8.02 Meetings; Majority Rule. Any and all acts of the Administrative Committee taken at a meeting shall be by a majority of all members of the Administrative Committee. The Administrative Committee may act by vote taken in a meeting (at which a majority of members shall constitute a quorum). The Administrative Committee may also act by unanimous consent in writing without the formality of convening a meeting.

Sec. 8.03 Delegation. The Administrative Committee may, by majority decision, delegate to each or any one of its number, authority to sign any documents on its behalf, or to perform ministerial acts, but no person to whom such authority is delegated shall perform any act involving the exercise of any discretion without first obtaining the concurrence of a majority of the members of the Administrative Committee, even though such person alone may sign any document required by third parties. The Administrative Committee shall elect one of its number to serve as Chairperson. The Chairperson shall preside at all meetings of the Administrative Committee or shall delegate such responsibility to another Administrative Committee member. The Administrative Committee shall elect one person to serve as Secretary to the Administrative Committee. All third parties may rely on any communication signed by the Secretary, acting as such, as an official communication from the Administrative Committee.

Sec. 8.04 Authority and Responsibility of the Administrative Committee. The Administrative Committee shall have only such authority and responsibilities as are delegated to it by the Compensation Committee or specifically provided herein. The Administrative Committee shall have full power and express discretionary authority to administer and interpret the SERP, to make factual determinations and to adopt or amend such rules and regulations for implementing the SERP and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Administrative Committee's authorities and responsibilities shall also include:

- (a) maintenance and preservation of records relating to Participants, former Participants, and their beneficiaries;
- (b) preparation and distribution to Participants of all information and notices required under Federal law or the provisions of the SERP;
- (c) preparation and filing of all governmental reports and other information required under law to be filed or published;

- (d) engagement of assistants and professional advisers;
- (e) arrangement for bonding, if required by law; and
- (f) promulgation of procedures for determination of claims for benefits.

Sec. 8.05 Compensation of Administrative Committee Members. The members of the Administrative Committee shall serve without compensation for their services as such, but all expenses of the Administrative Committee shall be paid or reimbursed by UGI.

Sec. 8.06 Administrative Committee Discretion. Any discretion, actions, or interpretations to be made under the SERP by the Administrative Committee shall be made in its sole discretion, need not be uniformly applied to similarly situated individuals, and shall be final, binding, and conclusive on the parties. All benefits under the SERP shall be provided conditional upon the Participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Administrative Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under the SERP.

Sec. 8.07 Indemnification of the Committees. Each member of the Administrative Committee shall be indemnified by UGI against costs, expenses and liabilities (other than amounts paid in settlement to which UGI does not consent) reasonably incurred by him or her in connection with any action to which he or she may be a party by reason of his or her service as a member of the Committee, except in relation to matters as to which he or she shall be adjudged in such action to be personally guilty of gross negligence or willful misconduct in the performance of his or her duties. The foregoing right to indemnification shall be in addition to such other rights as the Administrative Committee member may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrative Committee member may be entitled pursuant to the by-laws of UGI. Service on the Administrative Committee shall be deemed in partial fulfillment of the Administrative Committee member's function as an employee, officer and/or director of UGI, if he or she serves in that capacity as well as in the role of Administrative Committee member.

ARTICLE IX

AMENDMENT AND TERMINATION

Sec. 9.01 Amendment. The provisions of the SERP may be amended at any time and from time to time by the Compensation Committee for any reason without either the consent of or prior notice to any Participant; *provided, however*, that no such amendment shall serve to reduce the benefit that has accrued on behalf of a Participant as of the effective date of the amendment. Notwithstanding the foregoing, the Administrative Committee may adopt any amendment to the SERP as it shall deem necessary or appropriate to (i) maintain compliance with current laws and regulations; (ii) correct errors and omissions in the SERP document; and (iii) facilitate the administration and operation of the SERP.

Sec. 9.02 Plan Termination. While it is UGI's intention to continue the SERP indefinitely in operation, the right is, nevertheless, reserved to terminate the SERP in whole or in part at any time for any reason without either the consent of or prior notice to any Participant. No such termination shall reduce the benefit that has accrued on behalf of a Participant as of the effective date of the termination, but UGI may immediately distribute all accrued benefits upon termination of the SERP in accordance with section 409A of the Code.

ARTICLE X

CLAIMS PROCEDURES

Sec. 10.01 Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the SERP (hereinafter referred to as "claimant"), or requesting information under the SERP shall present the request in writing to the Administrative Committee, which shall respond in writing or electronically. The notice advising of the denial shall be furnished to the claimant within 90 days of receipt of the benefit claim by the Administrative Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Administrative Committee shall provide notice of the extension prior to the termination of the 90 day period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim.

Sec. 10.02 Denial of Claim. If the claim or request is denied, the written or electronic notice of denial shall state:

- (a) The reasons for denial;
- (b) Reference to the specific SERP provisions on which the denial is based;
- (c) A description of any additional material or information required and an explanation of why it is necessary; and

(d) An explanation of the SERP's claims review procedures and the time limits applicable to such procedures, including the right to bring a civil action under section 502(a) of ERISA.

Sec. 10.03 Final Decision. The decision on review shall normally be made within 60 days after the Administrative Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing or in electronic form and shall:

- (a) State the specific reasons for the denial;
- (b) Reference the relevant SERP provisions;
- (c) State that the claimant is entitled to receive, upon request and free of charge, and have reasonable access to and copies of all documents, records and other information relevant to the claim for benefits; and
- (d) State that the claimant may bring an action under section 502(a) of ERISA.

All decisions on review shall be final and binding on all parties concerned.

Sec. 10.04 Review of Claim. Any claimant whose claim or request is denied or who has not received a response within 60 days may request a review by notice given in writing or electronic form to the Administrative Committee. Such request must be made within 60 days after receipt by the claimant of the written or electronic notice of denial, or in the event the claimant has not received a response, 60 days after receipt by the Administrative Committee of the claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Sec. 11.01 Nonalienation of Benefits. None of the payments, benefits or rights of any participant under the SERP shall 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. No Participant shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he or she may expect to receive, contingently or otherwise, under the SERP.

Sec. 11.02 No Contract of Employment. Neither the establishment of the SERP, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of UGI or any other participating employer hereunder, and all Participants and other Employees shall remain subject to discharge to the same extent as if the SERP had never been adopted.

Sec. 11.03 Severability of Provisions. If any provision of the SERP shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the SERP shall be construed and enforced as if such provision had not been included.

Sec. 11.04 Heirs, Assigns and Personal Representatives. The SERP shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, present and future.

Sec. 11.05 Successors. Unless the Compensation Committee directs otherwise before a Change of Control, in the event of a Change of Control, UGI shall require any successor or successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of UGI, or a division or Affiliate thereof, (i) to acknowledge expressly that this SERP is binding upon and enforceable against such successor in accordance with the terms hereof, (ii) to become jointly and severally obligated with UGI to perform the obligations under this SERP, and (iii) to agree not to amend or terminate the SERP for a period of three years after the date of succession without the consent of the affected Participant.

Sec. 11.06 Headings and Captions. The headings and captions herein are provided for reference and convenience only, and shall not be considered part of the SERP, and shall not be employed in the construction of the SERP.

Sec. 11.07 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Sec. 11.08 Controlling Law. The SERP shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.

Sec. 11.09 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge UGI, the Board, the Administrative Committee and all other parties with respect thereto.

Sec. 11.10 Reliance on Data and Consents. UGI, the Board, the Compensation Committee, the Administrative Committee, all fiduciaries with respect to the SERP, and all other persons or entities associated with the operation of the SERP, and the provision of benefits

thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by the Participant, including, without limitation, data with respect to age, health and marital status. Furthermore, UGI, the Board, the Compensation Committee, the Administrative Committee and all fiduciaries with respect to the SERP may reasonably rely on all consents, elections and designations filed with the SERP or those associated with the operation of the SERP by any Participant, or the representatives of any such person without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the SERP or the benefits provided under the SERP shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants to advise the appropriate parties of any change in such data.

Sec. 11.11 Lost Payees. A benefit shall be deemed forfeited if the Administrative Committee is unable to locate a Participant to whom payment is due; *provided, however*, that such benefit shall be reinstated if a claim is made by the proper payee for the forfeited benefit.

Sec. 11.12 Taxation. The SERP is intended to comply with section 409A of the Code. Notwithstanding anything in the SERP to the contrary, distributions may only be made under the SERP upon an event and in a manner permitted by section 409A of the Code. All payments under the SERP shall be subject to applicable tax withholding. Distributions upon termination of employment shall only be made upon the Participant's "separation from service" under section 409A of the Code, and in no event may a Participant directly or indirectly designate the calendar year of a payment.

EXHIBIT A

CHANGE OF CONTROL

For purposes of the SERP, the term “Change of Control,” and other defined terms used in this Exhibit A, shall have the following meanings:

1. “Change of Control” shall mean:

(i) Any Person (except UGI, any UGI Subsidiary, any employee benefit plan of UGI or of any UGI Subsidiary, or any Person or entity organized, appointed or established by UGI 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 (i) the then outstanding shares of common stock of UGI (the “Outstanding UGI Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of UGI entitled to vote generally in the election of directors (the “UGI Voting Securities”); or

(ii) Individuals who, as of the beginning of any 24-month period, constitute the UGI Board of Directors (the “Incumbent UGI Board”) cease for any reason to constitute at least a majority of the Incumbent UGI Board, provided that any individual becoming a director of UGI subsequent to the beginning of such period whose election or nomination for election by the UGI shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent UGI Board shall be considered as though such individual were a member of the Incumbent UGI 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 UGI (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or

(iii) Consummation by UGI 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 UGI Common Stock and UGI 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 UGI Common Stock and UGI Voting Securities, as the case may be; or

(iv) Consummation of (a) a complete liquidation or dissolution of UGI or (b) a sale or other disposition of all or substantially all of the assets of UGI 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 UGI Common Stock and UGI Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be, immediately prior to such sale or disposition.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

4. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; *provided, however*, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

5. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

6. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI,

as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

Change of Control with Respect to UGI Utilities, Inc.

In addition to the definition of Change of Control with respect to UGI, as set forth above, for Participants who are employees of UGI Utilities, Inc. ("Utilities") or a subsidiary of Utilities, the term "Change of Control" shall include the events set forth below:

"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 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 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

ACTUARIAL ASSUMPTIONS

Assumptions used for calculating the lump sum payment of vested accrued SERP benefits:

1. For Participants attaining age 50 prior to January 1, 2004, with service after January 1, 2004, the lump sum payment is calculated using two interest rates. One rate is for service prior to January 1, 2004 and the other for service after January 1, 2004. The rates are determined as follows:

- Pre-January 1, 2004 Service. The daily average of Moody's Aaa bond yields for the month in which the Participant's termination date occurs, plus 50 basis points, tax-adjusted using the highest marginal Federal tax rate (35.0% for 2007).
- Post-January 1, 2004 Service. The daily average of 10-year Treasury Bond yields in effect for the month in which the Participant's termination date occurs, as reported in Federal Reserve Statistical Release H.15 or any comparable successor publication.

The 1994 GAR unisex mortality table is also used in the lump sum calculation.

2. For Participants attaining age 50 on or after January 1, 2004, the rates are determined as follows:

- The daily average of 10-year Treasury Bond yields in effect for the month in which the Participant's termination date occurs, as reported in Federal Reserve Statistical Release H.15 or any comparable successor publication.

The 1994 GAR unisex mortality table is also used in the lump sum calculation.

UGI CORPORATION
SUPPLEMENTAL SAVINGS PLAN

ARTICLE I

STATEMENT OF PURPOSE

The Supplemental Savings Plan (the “SSP”) is maintained to provide a fair and competitive level of retirement benefits to certain management and other highly compensated employees who have, by operation of laws and regulations relating to qualified savings plans, experienced a reduction in benefits under the Savings Plan (as defined in Article II). The benefits under the SSP are also designed to compensate terminated participants by taking into account periods of time for which payments are made under a Change in Control Agreement (as defined in Article II) or, for employees whose employment terminated on or after January 1, 2005 and before July 25, 2006, under an Executive Severance Plan (as defined in Article II).

ARTICLE II

DEFINITIONS

Sec. 2.01 “Administrative Committee” shall mean the committee designated by the Compensation Committee to administer the SSP.

Sec. 2.02 “Affiliate” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

Sec. 2.03 “Beneficiary” shall mean the person or entity who shall receive benefits in the event of the Participant’s death, as determined under the Savings Plan.

Sec. 2.04 “Board” shall mean the Board of Directors of UGI.

Sec. 2.05 “Cause” shall mean misappropriation of funds, habitual insobriety, substance abuse, conviction of a crime involving moral turpitude, or 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 UGI and its Subsidiaries and Affiliates, taken as a whole.

Sec. 2.06 “Change of Control” shall have the meaning set forth on the attached Exhibit A.

Sec. 2.07 “Change in Control Agreement” shall mean a Change in Control Agreement between an Employee and UGI or a Subsidiary (other than AmeriGas Propane, Inc. or its subsidiaries).

Sec. 2.08 “Code” shall mean the Internal Revenue Code of 1986, as amended.

Sec. 2.09 “Compensation Committee” shall mean the Compensation and Management Development Committee of the Board.

Sec. 2.10 “Continuation Period” shall mean, with respect to a Participant who is entitled to receive benefits under a Change in Control Agreement, the Continuation Period as defined in the Participant’s Change in Control Agreement.

Sec. 2.11 “Effective Date” of the amended SSP shall mean November 22, 2013, except where otherwise indicated. The SSP is a continuation of the savings plan portion of the UGI Corporation Supplemental Executive Retirement Plan, as in effect before January 1, 2005.

Sec. 2.12 “Employee” shall mean any person in the employ of UGI, UGI Utilities, Inc. or another Subsidiary other than AmeriGas Propane, Inc. or its subsidiaries. In no event shall a person who is characterized as an independent contractor by the employer, no matter how characterized by a court or government agency, be considered an “Employee,” and no retroactive characterization of an individual’s status for any other purpose shall make an individual an “Employee.”

Sec. 2.13 “Employment Commencement Date” shall mean the first day on which a Participant became an employee of UGI, any Subsidiary or Affiliate of UGI, or any entity whose business or assets have been acquired by UGI, by a Subsidiary or Affiliate of UGI or by any predecessor of such entities.

Sec. 2.14 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

Sec. 2.15 “Excess Earnings” shall mean that portion of an Employee’s compensation from UGI or another participating employer hereunder that is not permitted to be taken into account under the Savings Plan by operation of section 401(a)(17) of the Code or any successor thereto, excluding any such compensation earned when the Employee was not a Participant.

Sec. 2.16 “Executive Annual Bonus Plan” shall mean the UGI Corporation Executive Annual Bonus Plan or the UGI Utilities, Inc. Executive Annual Bonus Plan, as amended from time to time, and any successor plans (and for fiscal years through 1996, the AmeriGas Propane, Inc. Executive Annual Bonus Plan).

Sec. 2.17 “Executive Severance Plan” shall mean an executive severance plan of UGI or a Subsidiary or Affiliate (other than AmeriGas Propane, Inc. or its subsidiaries).

Sec. 2.18 “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.

Sec. 2.19 “Matching Contribution” shall have the meaning given that term in the Savings Plan.

Sec. 2.20 “Participant” shall mean each Employee who meets the requirements of Section 3.01 hereof.

Sec. 2.21 “Pension Plan” shall mean the Retirement Income Plan for Employees of UGI Utilities, Inc., as currently in effect and as it may hereafter be amended, and any plan designated by the Board as a successor thereto.

Sec. 2.22 “Plan Year” shall mean, effective January 1, 2007, a 12-month period beginning on January 1 and ending on December 31. For periods before January 1, 2007, the Plan Year shall mean a period beginning on October 1 and ending on the following September 30, with a short Plan Year for the period beginning on October 1, 2006 and ending on December 31, 2006.

Sec. 2.23 “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 SSP benefits may not be paid to the Key Employee under section 409A of the Code.

Sec. 2.24 “Prior SERP” shall mean the UGI Corporation Supplemental Executive Retirement Plan as in effect before January 1, 2005.

Sec. 2.25 “Savings Plan” shall mean the UGI Utilities, Inc. Savings Plan as it may thereafter be amended, and any plan designated by the Administrative Committee as the successor to the UGI Utilities, Inc. Savings Plan.

Sec. 2.26 “Savings Plan Year” shall mean the calendar year.

Sec. 2.27 “SSP” shall mean the UGI Corporation Supplemental Savings Plan as set forth herein, and as the same may hereafter be amended.

Sec. 2.28 “Subsidiary” shall mean any corporation in which UGI, directly or indirectly, owns at least a 50% interest or an unincorporated entity of which UGI, directly or indirectly, owns at least 50% of the profits or capital interests.

Sec. 2.29 “UGI” shall mean UGI Corporation.

Sec. 2.30 “Year of Service” shall mean a Year of Service as determined under the Savings Plan for vesting purposes.

ARTICLE III

PARTICIPATION

Sec. 3.01 Participants.

(a) Each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is an active participant in the Savings Plan and makes the contributions described in Section 5.01(a) to the Savings Plan for the Plan Year, and (iii) is an active participant in the Pension Plan for the Plan Year, shall be a Participant in the SSP for the applicable Plan Year.

(b) Each Employee who has a Change in Control Agreement that provides for the benefits described in Section 5.04 shall be a Participant in this SSP for purposes of being eligible to receive benefits under Section 5.04.

(c) An Employee whose employment terminated on or after January 1, 2005 and before July 25, 2006, and who was entitled to receive a severance benefit under an Executive Severance Plan, as described in Section 5.05, shall be a Participant in this SSP for purposes of being eligible to receive benefits under Section 5.05.

Sec. 3.02 Transfers. If a Participant ceases to meet the requirements of Section 3.01 but continues to be an employee of UGI or a Subsidiary or Affiliate, the former Participant will cease to accrue benefits under the SSP. The former Participant will continue to earn Years of Service credit for vesting purposes with respect to the SSP for purposes of his or her accrued SSP benefit under Section 5.01. The former Participant's account will continue to be credited with earnings pursuant to Section 5.02 while the former Participant has an account under the SSP.

Sec. 3.03 Accounts. UGI shall establish a bookkeeping account for each Participant under the SSP. All contributions under the SSP, and earnings thereon as described in Section 5.02, shall be credited to the Participant's account.

ARTICLE IV

VESTING

Sec. 4.01 Vesting in Section 5.01 Benefits.

(a) A Participant shall vest in the amounts credited under Sections 5.01 and 5.02 of the SSP when the Participant has five Years of Service. If a Participant's employment with UGI and its Subsidiaries and Affiliates terminates for any reason other than death before the Participant has five Years of Service, all amounts credited under Sections 5.01 and 5.02 shall be immediately forfeited, and the Participant shall receive no benefits under Sections 5.01 and 5.02. If a Participant dies while employed by UGI or its Subsidiaries or

Affiliates, the Participant's amounts credited under Sections 5.01 and 5.02 shall become fully vested.

(b) If a Participant whose employment terminated on or after January 1, 2005 and before July 25, 2006 is entitled to receive a benefit under Section 5.05, the Participant's salary continuation period under the Executive Severance Plan shall be counted as service for purposes of vesting under this SSP.

Sec. 4.02 Vesting in Section 5.04 and Section 5.05 Benefits. (a) A Participant shall vest in the amounts credited under Section 5.04 of the SSP when the Participant's employment has terminated under the circumstances described in Section 5.04 and the Participant has met all the requirements of the Participant's Change in Control Agreement that entitle the Participant to receive the amounts described in Section 5.04.

(b) A Participant whose employment terminated on or after January 1, 2005 and before July 25, 2006 shall vest in the amounts credited under Section 5.05 of the SSP when the Participant's employment has terminated under the circumstances described in Section 5.05 and the Participant has met all the requirements of the Executive Severance Plan that entitle the Participant to receive the amounts described in Section 5.05.

ARTICLE V BENEFITS

Sec. 5.01 SSP Annual Contributions.

(a) Effective January 1, 2007, at the end of each Plan Year, the Administrative Committee shall credit an SSP contribution to the book account of each Participant who is an active participant in the Savings Plan and who contributed to the Savings Plan for the Plan Year an amount at least equal to the lesser of (i) 6% of the Participant's annual compensation (as determined under the Savings Plan) or (ii) the maximum amount permitted to be contributed under section 402(g) of the Code (without regard to any "catch up" contributions as described below).

(b) The SSP contribution for each Participant described in subsection (a) for the Plan Year shall be calculated as:

(x) The Matching Contribution that would have been made for the Participant under the Savings Plan for the Plan Year, based on an election to contribute 6% of the Participant's annual compensation (as determined under the Savings Plan), if (i) the Participant's Excess Earnings (without regard to the limitations set forth in section 401(a)(17) of the Code) had been taken into account, (ii) the limitations set forth in section 402(g) of the Code were inoperative, and (iii) there were no cutbacks of contributions to the Savings Plans to comply with nondiscrimination tests set forth in Sections 401(k) and 401(m) of the Code, less

(y) The Matching Contribution that would have been made to the Savings Plan for the Participant for the Plan Year, based on an election to contribute 6% of the Participant's annual compensation (as determined under the Savings Plan), and taking into account the limitations set forth in section 401(a)(17) of the Code, the limitations set forth in section 402(g) of the Code and any applicable cutbacks of contributions to the Savings Plans to comply with nondiscrimination tests set forth in Sections 401(k) and 401(m) of the Code.

Notwithstanding the foregoing, no contribution shall be credited under the SSP with respect to "catch-up" contributions made under the Savings Plan pursuant to section 414(v) of the Code. The contribution credited under the SSP for a Participant for a Plan Year shall not exceed the Matching Contribution that would have been provided under the Savings Plan in the absence of any plan-based restrictions that reflect limits on qualified plan contributions under the Code, in accordance with section 409A of the Code.

(c) The Administrative Committee shall calculate a prorated SSP contribution for each Participant for the short Plan Year beginning October 1, 2006 and ending December 31, 2006, in such manner as the Administrative Committee determines.

(d) The Administrative Committee shall credit each Participant's SERP contribution for each Plan Year to a bookkeeping account for the Participant on UGI's records.

Sec. 5.02 Earnings. At the end of each Plan Year, each Participant who has an unpaid book account under the SSP as of the end of the Plan Year shall be credited with earnings on the Participant's SSP account, as described below. The amount of the credit is equal to the product obtained by multiplying the Participant's cumulative account balance as of the end of the Plan Year by the Participant's "individual rate per annum," determined as follows:

(a) For Plan Years ending before October 1, 2005, the "individual rate per annum" is determined by dividing (i) by (ii), where (i) is the total of all actual gains and losses reported on the Participant's Savings Plan portfolio for the Plan Year, measured on the last day of the Plan Year, and (ii) is the sum of the Participant's beginning balance in the Savings Plan on the first day of the Plan Year plus all contributions to the Participant's Savings Plan account during the Plan Year.

(b) For Plan Years beginning on or after October 1, 2005, the "individual rate per annum" is a weighted average return calculated by UGI, based 60% on the total return of the Standard & Poor's 500 Index and 40% on the total return of the Lehman Brothers Aggregate Bond Index for the Plan Year.

Sec. 5.03 Termination of Employment.

(a) If a Participant's employment terminates during a Plan Year for any reason other than Cause, the Administrative Committee shall credit a pro rata SSP contribution to the Participant's account for the Plan Year, if the Participant is an active

participant in the Savings Plan and has contributed to the Savings Plan for the Plan Year an amount at least equal to the lesser of (i) 6% of the Participant's annual compensation (as determined under the Savings Plan) or (ii) a pro-rata amount of the maximum amount permitted to be contributed under section 402(g) of the Code (without regard to any "catch up" contributions).

(b) If a Participant's employment terminates during a Plan Year for any reason other than Cause, the Administrative Committee shall credit earnings on the terminated Participant's SSP account from the end of the preceding Plan Year to the termination date, based on the "individual rate per annum" described in Section 5.02(b) above for the portion of the Plan Year for which earnings are credited before the termination date.

(c) The amounts described in this Section 5.03 shall be credited to the Participant's account as of the Participant's termination date.

Sec. 5.04 Change of Control Benefit. In the event of a Change of Control, if and to the extent required by a Participant's Change in Control Agreement, each Participant who is an active participant in both the Savings Plan and the Pension Plan on the date of the Participant's termination of employment and who is entitled to receive severance benefits under a Change in Control Agreement shall receive a credit to the Participant's SSP account equal to the Participant's Matching Contributions that would have been made to the Savings Plan (without regard to the statutory limits) had the Participant been eligible to participate in the Savings Plan and made employee elective deferral contributions to the Savings Plan during the Continuation Period equal to 6% of his or her annual compensation as described in the Change in Control Agreement. This benefit shall be credited to the Participant's account as of the Participant's termination date.

Sec. 5.05 Severance Benefit. The provisions of this Section 5.05 apply to a Participant whose employment was terminated by UGI or a Subsidiary or Affiliate on or after January 1, 2005 and before July 25, 2006, if the Participant was entitled to receive a severance benefit under an Executive Severance Plan and the Participant was an active participant in the Savings Plan on the date of the Participant's termination of employment. If required by the terms of the Executive Severance Plan, each such Participant shall receive a credit to the Participant's SSP account equal to the Participant's Matching Contributions that would have been made to the Savings Plan (without regard to the statutory limits) had the Participant been eligible to participate in the Savings Plan and made employee elective deferral contributions to the Savings Plan during the Participant's salary continuation period under the Executive Severance Plan equal to 6% of his or her annual compensation (determined as of the day of his or her termination of employment). This benefit shall be credited to the Participant's account as of the date of the Participant's termination date.

Sec. 5.06 Death Benefits. If a Participant is entitled to receive a vested benefit under this Article V but the Participant dies before receiving his or her SSP benefit, the Participant's vested benefit, if any, shall be paid to the Beneficiary.

Sec. 5.07 Forfeiture. Each Participant shall immediately forfeit any benefit to which he or she is otherwise entitled under the SSP if the Participant's employment is terminated for Cause.

ARTICLE VI

FORM AND TIMING OF BENEFIT DISTRIBUTION

Sec. 6.01 Form of Benefit Distributions. A Participant's vested SSP benefits shall be paid to the Participant in the form of a lump sum payment upon the Participant's termination of employment with UGI and its Subsidiaries and Affiliates, as described below. A Participant's vested SSP benefits are the vested amount credited to the Participant's account under the SSP.

Sec. 6.02 Timing of Benefit Distributions.

(a) A Participant's vested SSP benefits shall be paid to the Participant within 60 days following the Participant's termination of employment with UGI and its Subsidiaries and Affiliates, except as described below. A Participant shall be considered to have incurred a termination of employment under the SSP when the Participant has a "separation from service" under section 409A of the Code.

(b) Notwithstanding the foregoing, if a Participant whose employment terminates after January 1, 2005 is a Key Employee and if required by section 409A of the Code, no SSP benefits shall be paid to the Participant during the Postponement Period. If payment of SSP benefits 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 below, shall be paid in a lump sum payment within 15 days after the end of the Postponement Period. If the Participant dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of section 409A, with interest as described below, shall be paid to the Participant's estate within 60 days after the Participant's death.

(c) The amount to be withheld on account of section 409A shall be calculated as of the Participant's termination date. Interest shall be credited on the withheld amount from the Participant's termination date to the last day of the calendar month preceding the date on which the withheld amount is paid, based on the daily average of the six-month certificate of deposit rates in effect for the month in which the Participant's termination date occurs, as reported in Federal Reserve Statistical Release H.15 or any comparable successor publication.

ARTICLE VII

FUNDING OF BENEFITS

Sec. 7.01 Source of Funds. The obligations of UGI and other participating employers hereunder shall constitute a general, unsecured obligation, payable solely out of their general assets, and no Participant shall have any right to any specific assets of UGI, or any Subsidiary or Affiliate or any trust established by UGI or any Subsidiary or Affiliate to fund such obligations.

Sec. 7.02 Participant Contributions. There shall be no contributions made by Participants under the SSP.

ARTICLE VIII

THE COMMITTEE

Sec. 8.01 Appointment and Tenure of Administrative Committee Members. The Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee. Any Administrative Committee member may resign by delivering his or her written resignation to the Compensation Committee. Vacancies arising by the death, resignation or removal of an Administrative Committee member may be filled by the Compensation Committee.

Sec. 8.02 Meetings; Majority Rule. Any and all acts of the Administrative Committee taken at a meeting shall be by a majority of all members of the Administrative Committee. The Administrative Committee may act by vote taken in a meeting (at which a majority of members shall constitute a quorum). The Administrative Committee may also act by unanimous consent in writing without the formality of convening a meeting.

Sec. 8.03 Delegation. The Administrative Committee may, by majority decision, delegate to each or any one of its number, authority to sign any documents on its behalf, or to perform ministerial acts, but no person to whom such authority is delegated shall perform any act involving the exercise of any discretion without first obtaining the concurrence of a majority of the members of the Administrative Committee, even though such person alone may sign any document required by third parties. The Administrative Committee shall elect one of its number to serve as Chairperson. The Chairperson shall preside at all meetings of the Administrative Committee or shall delegate such responsibility to another Administrative Committee member. The Administrative Committee shall elect one person to serve as Secretary to the Administrative Committee. All third parties may rely on any communication signed by the Secretary, acting as such, as an official communication from the Administrative Committee.

Sec. 8.04 Authority and Responsibility of the Administrative Committee. The Administrative Committee shall have only such authority and responsibilities as are delegated to it by the Compensation Committee or specifically provided herein. The Administrative Committee shall have full power and express discretionary authority to administer and interpret the SSP, to make factual determinations and to adopt or amend such rules and regulations for implementing the SSP and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Administrative Committee's authorities and responsibilities shall also include:

- (a) maintenance and preservation of records relating to Participants, former Participants, and their beneficiaries;
- (b) preparation and distribution to Participants of all information and notices required under Federal law or the provisions of the SSP;
- (c) preparation and filing of all governmental reports and other information required under law to be filed or published;

- (d) engagement of assistants and professional advisers;
- (e) arrangement for bonding, if required by law; and
- (f) promulgation of procedures for determination of claims for benefits.

Sec. 8.05 Compensation of Administrative Committee Members. The members of the Administrative Committee shall serve without compensation for their services as such, but all expenses of the Administrative Committee shall be paid or reimbursed by UGI.

Sec. 8.06 Administrative Committee Discretion. Any discretion, actions, or interpretations to be made under the SSP by the Administrative Committee shall be made in its sole discretion, need not be uniformly applied to similarly situated individuals, and shall be final, binding, and conclusive on the parties. All benefits under the SSP shall be provided conditional upon the Participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Administrative Committee shall be final and binding on the Participant, his or her Beneficiaries and any other person having or claiming an interest under the SSP.

Sec. 8.07 Indemnification of the Committees. Each member of the Administrative Committee shall be indemnified by UGI against costs, expenses and liabilities (other than amounts paid in settlement to which UGI does not consent) reasonably incurred by him or her in connection with any action to which he or she may be a party by reason of his or her service as a member of the Committee, except in relation to matters as to which he or she shall be adjudged in such action to be personally guilty of gross negligence or willful misconduct in the performance of his or her duties. The foregoing right to indemnification shall be in addition to such other rights as the Administrative Committee member may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrative Committee member may be entitled pursuant to the by-laws of UGI. Service on the Administrative Committee shall be deemed in partial fulfillment of the Administrative Committee member's function as an employee, officer and/or director of UGI, if he or she serves in that capacity as well as in the role of Administrative Committee member.

ARTICLE IX
AMENDMENT AND TERMINATION

Sec. 9.01 Amendment. The provisions of the SSP may be amended at any time and from time to time by the Compensation Committee for any reason without either the consent of or prior notice to any Participant; *provided, however*, that no such amendment shall serve to reduce the benefit that has accrued on behalf of a Participant as of the effective date of the amendment. Notwithstanding the foregoing, the Administrative Committee may adopt any amendment to the SSP as it shall deem necessary or appropriate to (i) maintain compliance with current laws and regulations; (ii) correct errors and omissions in the SSP document; and (iii) facilitate the administration and operation of the SSP.

Sec. 9.02 Plan Termination. While it is UGI's intention to continue the SSP indefinitely in operation, the right is, nevertheless, reserved to terminate the SSP in whole or in part at any time for any reason without either the consent of or prior notice to any Participant. No such termination shall reduce the benefit that has accrued on behalf of a Participant as of the effective date of the termination, but UGI may immediately distribute all accrued benefits upon termination of the SSP in accordance with section 409A of the Code.

ARTICLE X
CLAIMS PROCEDURES

Sec. 10.01 Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the SSP (hereinafter referred to as "claimant"), or requesting information under the SSP shall present the request in writing to the Administrative Committee, which shall respond in writing or electronically. The notice advising of the denial shall be furnished to the claimant within 90 days of receipt of the benefit claim by the Administrative Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Administrative Committee shall provide notice of the extension prior to the termination of the 90 day period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim.

Sec. 10.02 Denial of Claim. If the claim or request is denied, the written or electronic notice of denial shall state:

- (a) The reasons for denial;
- (b) Reference to the specific SSP provisions on which the denial is based;
- (c) A description of any additional material or information required and an explanation of why it is necessary; and

(d) An explanation of the SSP's claims review procedures and the time limits applicable to such procedures, including the right to bring a civil action under section 502(a) of ERISA.

Sec. 10.03 Final Decision. The decision on review shall normally be made within 60 days after the Administrative Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing or in electronic form and shall:

- (a) State the specific reasons for the denial;
- (b) Reference the relevant SSP provisions;
- (c) State that the claimant is entitled to receive, upon request and free of charge, and have reasonable access to and copies of all documents, records and other information relevant to the claim for benefits; and
- (d) State that the claimant may bring an action under section 502(a) of ERISA.

All decisions on review shall be final and binding on all parties concerned.

Sec. 10.04 Review of Claim. Any claimant whose claim or request is denied or who has not received a response within 60 days may request a review by notice given in writing or electronic form to the Administrative Committee. Such request must be made within 60 days after receipt by the claimant of the written or electronic notice of denial, or in the event the claimant has not received a response, 60 days after receipt by the Administrative Committee of the claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Sec. 11.01 Nonalienation of Benefits. None of the payments, benefits or rights of any participant under the SSP shall 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. No Participant shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he or she may expect to receive, contingently or otherwise, under the SSP, except any right to designate a Beneficiary in connection with any form of benefit payment providing benefits after the Participant's death.

Sec. 11.02 No Contract of Employment. Neither the establishment of the SSP, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of UGI or any other participating employer hereunder, and all Participants and other Employees shall remain subject to discharge to the same extent as if the SSP had never been adopted.

Sec. 11.03 Severability of Provisions. If any provision of the SSP shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the SSP shall be construed and enforced as if such provision had not been included.

Sec. 11.04 Heirs, Assigns and Personal Representatives. The SSP shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, present and future.

Sec. 11.05 Successors. Unless the Compensation Committee directs otherwise before a Change of Control, in the event of a Change of Control, UGI shall require any successor or successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of UGI, or a division or Affiliate thereof, (i) to acknowledge expressly that this SSP is binding upon and enforceable against such successor in accordance with the terms hereof, (ii) to become jointly and severally obligated with UGI to perform the obligations under this SSP, and (iii) to agree not to amend or terminate the SSP for a period of three years after the date of succession without the consent of the affected Participant.

Sec. 11.06 Headings and Captions. The headings and captions herein are provided for reference and convenience only, and shall not be considered part of the SSP, and shall not be employed in the construction of the SSP.

Sec. 11.07 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Sec. 11.08 Controlling Law. The SSP shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.

Sec. 11.09 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge UGI, the Board, the Administrative Committee and all other parties with respect thereto.

Sec. 11.10 Reliance on Data and Consents. UGI, the Board, the Compensation Committee, the Administrative Committee, all fiduciaries with respect to the SSP, and all other persons or entities associated with the operation of the SSP, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by

the Participant, including, without limitation, data with respect to age, health and marital status. Furthermore, UGI, the Board, the Compensation Committee, the Administrative Committee and all fiduciaries with respect to the SSP may reasonably rely on all consents, elections and designations filed with the SSP or those associated with the operation of the SSP by any Participant, or the representatives of any such person without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the SSP or the benefits provided under the SSP shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants to advise the appropriate parties of any change in such data.

Sec. 11.11 Lost Payees. A benefit shall be deemed forfeited if the Administrative Committee is unable to locate a Participant to whom payment is due; *provided, however*, that such benefit shall be reinstated if a claim is made by the proper payee for the forfeited benefit.

Sec. 11.12 Taxation. The SSP is intended to comply with the requirements of section 409A of the Code. Notwithstanding anything in the SSP to the contrary, allocations to the SSP shall be made consistent with section 409A, and distributions may only be made under the SSP upon an event and in a manner permitted by section 409A of the Code. All payments under the SSP shall be subject to applicable tax withholding. Distributions upon termination of employment shall only be made upon the Participant's "separation from service" under section 409A of the Code, and in no event may a Participant directly or indirectly designate the calendar year of a payment.

EXHIBIT A

CHANGE OF CONTROL

For purposes of the SSP, the term “Change of Control,” and other defined terms used in this Exhibit A, shall have the following meanings:

1. “Change of Control” shall mean:

(i) Any Person (except UGI, any UGI Subsidiary, any employee benefit plan of UGI or of any UGI Subsidiary, or any Person or entity organized, appointed or established by UGI 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 (i) the then outstanding shares of common stock of UGI (the “Outstanding UGI Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of UGI entitled to vote generally in the election of directors (the “UGI Voting Securities”); or

(ii) Individuals who, as of the beginning of any 24-month period, constitute the UGI Board of Directors (the “Incumbent UGI Board”) cease for any reason to constitute at least a majority of the Incumbent UGI Board, provided that any individual becoming a director of UGI subsequent to the beginning of such period whose election or nomination for election by the UGI shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent UGI Board shall be considered as though such individual were a member of the Incumbent UGI 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 UGI (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or

(iii) Consummation by UGI 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 UGI Common Stock and UGI 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 UGI Common Stock and UGI Voting Securities, as the case may be; or

(iv) Consummation of (a) a complete liquidation or dissolution of UGI or (b) a sale or other disposition of all or substantially all of the assets of UGI 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 UGI Common Stock and UGI Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be, immediately prior to such sale or disposition.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

4. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; *provided, however*, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

5. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

6. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI,

as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

Change of Control with Respect to UGI Utilities, Inc.

In addition to the definition of Change of Control with respect to UGI, as set forth above, for Participants who are employees of UGI Utilities, Inc. ("Utilities") or a subsidiary of Utilities, the term "Change of Control" shall include the events set forth below:

"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 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 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.

UGI CORPORATION
2009 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
FOR NEW EMPLOYEES
As Amended and Restated as of November 22, 2013

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ARTICLE I

STATEMENT OF PURPOSE

The purpose of the UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees (the “2009 UGI SERP”) is to provide a fair and competitive level of retirement benefits to certain management and other highly compensated employees and thereby to attract and retain the highest quality executives to UGI Corporation, UGI Utilities, Inc. and its subsidiaries, including UGI Penn Natural Gas, Inc., UGI Central Penn Gas, Inc., and, effective October 1, 2010, UGI Energy Services, Inc. To address these purposes and to account for the closure of the Pension Plan and the CPG Pension Plan, each as defined herein, certain employees of UGI Corporation, UGI Utilities, Inc. and its subsidiaries, including UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., and, effective October 1, 2010, UGI Energy Services, Inc. (those designated as “Participants”), will be provided with supplemental retirement benefits. The 2009 UGI SERP was amended and restated as of October 1, 2010 to include certain employees of UGI Energy Services, Inc. The 2009 UGI SERP is now amended and restated as of November 22, 2013.

ARTICLE II

DEFINITIONS

Sec. 2.01 “Administrative Committee” shall mean the administrative committee designated pursuant to Article VII to administer the 2009 UGI SERP in accordance with its terms.

Sec. 2.02 “Affiliate” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

Sec. 2.03 “Beneficiary” shall mean the person designated by a Participant to receive any benefits payable after the Participant’s death. UGI shall provide a form for this purpose. In the event a Participant has not filed a Beneficiary designation with UGI or none of the designated Beneficiaries are living at the date of the Participant’s death, the Beneficiary shall be the Participant’s estate.

Sec. 2.04 “Board” shall mean the Board of Directors of UGI.

Sec. 2.05 “Change in Control Agreement” shall mean a Change in Control Agreement between an Employee and a Participating Employer.

Sec. 2.06 “Code” shall mean the Internal Revenue Code of 1986, as amended.

Sec. 2.07 “Compensation Committee” shall mean the Compensation and Management Development Committee of the Board.

Sec. 2.08 "Compensation" shall mean a Participant's actual base salary earned from the Participating Employers with respect to each Plan Year, plus the amount of annual bonus paid under the applicable bonus or severance plan with respect to each Plan Year, regardless of the payment date. Compensation shall include any such salary and bonus that that would be payable to the Employee except for an election by the Employee to have such compensation deferred under any qualified savings plan, non-qualified deferred compensation plan, or section 125 plan, of the Participating Employers. Compensation shall be prorated for any Plan Year during which the Employee ceases to be a Participant and remains an employee of the Participating Employers.

Sec. 2.09 "CPG Pension Plan" shall mean the UGI Central Penn Gas, Inc. Employees' Retirement Plan.

Sec. 2.10 "Deferral Plan" shall mean the UGI Corporation 2009 Deferral Plan.

Sec. 2.11 "Effective Date" of the 2009 UGI SERP shall mean January 1, 2009, for Participating Employers other than UGI Energy Services, Inc. The 2009 UGI SERP shall be effective for UGI Energy Services, Inc. as of October 1, 2010. The effective date of the amended and restated 2009 UGI SERP is November 22, 2013.

Sec. 2.12 "Employee" shall mean any person in the employ of a Participating Employer other than a person (i) whose terms and conditions of employment are determined through collective bargaining with a third party or (ii) who is characterized as an independent contractor by a Participating Employer, no matter how characterized by a court or government agency. No retroactive characterization of an individual's status for any other purpose shall make an individual an "Employee" for purposes hereof unless specifically determined otherwise by a Participating Employer for the purposes of this 2009 UGI SERP.

Sec. 2.13 "Employment Commencement Date" shall mean the first day on which a Participant became an employee of UGI or its Affiliates, or any entity whose business or assets have been acquired by UGI or its Affiliates or by any predecessor of such entities. If any interruption of employment occurred after the date described in the preceding sentence, the "Employment Commencement Date" after reemployment shall be the first day on which the Participant became an employee as described in the preceding sentence after the most recent such interruption of the employment relationship between the Participant and UGI or any of its Affiliates, unless the Administrative Committee determines otherwise.

Sec. 2.14 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

Sec. 2.15 "Executive Annual Bonus Plan" shall mean the UGI Corporation Executive Annual Bonus Plan or the UGI Utilities, Inc. Executive Annual Bonus Plan, each as amended from time to time, and any successor plans.

Sec. 2.16 "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 such Committee or its delegate in accordance with the provisions of sections 416(i) and 409A of the Code and the regulations issued thereunder.

Sec. 2.17 "Matching Contribution" shall have the meaning given that term under the Savings Plan.

Sec. 2.18 "Participant" shall mean each Employee who meets the requirements of Section 3.01 hereof.

Sec. 2.19 "Participating Employer" shall mean an employer listed on Schedule A.

Sec. 2.20 "Pension Plan" shall mean the Retirement Income Plan for Employees of UGI Utilities, Inc., as currently in effect and as it may hereafter be amended, and any plan designated by the Board as a successor thereto.

Sec. 2.21 "Plan Year" shall mean the 12-month period beginning on October 1 and ending on September 30.

Sec. 2.22 "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 2009 UGI SERP benefits may not be paid to the Key Employee under section 409A of the Code.

Sec. 2.23 "Savings Plan" shall mean the UGI Utilities, Inc. Savings Plan.

Sec. 2.24 "Termination for Cause" shall mean termination of employment by reason of misappropriation of funds, habitual insobriety, substance abuse, conviction of a crime involving moral turpitude, or gross negligence in the performance of duties, which gross negligence has had a material gross adverse effect on the business, operations, assets, properties or financial condition of UGI and its Affiliates, taken as a whole.

Sec. 2.25 "UGI" shall mean UGI Corporation.

Sec. 2.26 "2009 UGI SERP" shall mean the UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees as set forth herein and as the same may be hereafter amended.

Sec. 2.27 "UGI Utilities" shall mean UGI Utilities, Inc.

ARTICLE III

PARTICIPATION AND VESTING

Sec. 3.01 Participation.

(a) For Employees of a Participating Employer other than UGI Energy Services, Inc, on and after the Effective Date, each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is hired or rehired by a Participating Employer on or after the Effective Date (including by a transfer from an Affiliate), and (iii) is not accruing a benefit under the Pension Plan, CPG Pension Plan or any other defined benefit plan maintained by a Participating Employer and its Affiliates shall be eligible to become a Participant in the 2009 UGI SERP. Employees who meet the requirements of this subsection (a) as of the Effective Date shall become Participants in the 2009 UGI SERP as of the Effective Date.

(b) For Employees of UGI Energy Services, Inc., on and after October 1, 2010, each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is employed by UGI Energy Services, Inc. on or after October 1, 2010 (including by a transfer from an Affiliate) and (iii) is not accruing a benefit under the Pension Plan, CPG Pension Plan or any other defined benefit plan maintained by a Participating Employer and its Affiliates shall be eligible to become a Participant in the 2009 UGI SERP. Employees who meet the requirements of this subsection (b) as of October 1, 2010 shall become Participants in the 2009 UGI SERP as of October 1, 2010.

(c) Each newly hired Employee who meets the requirements of subsection (a) or (b), as applicable, shall become a Participant in the 2009 UGI SERP immediately upon his or her date of hire. Each newly promoted Employee of a Participating Employer, or an Employee who is transferred to a Participating Employer from an Affiliate that is not a Participating Employer, who meets the requirements of subsection (a) or (b), as applicable, shall become a Participant in the 2009 UGI SERP as of the first day of the Plan Year following his transfer or promotion date.

Sec. 3.02 Vesting. Benefits under this 2009 UGI SERP shall vest on the fifth anniversary of a Participant's most recent Employment Commencement Date, if the Participant continues to be employed by UGI and its Affiliates through the vesting date, unless the Compensation Committee determines that a Participant's benefits should vest, in whole or in part, sooner. A Participant's benefit under this 2009 UGI SERP shall also vest if the Participant's employment with UGI and its Affiliates terminates on account of death or Total Disability, as determined under the Savings Plan. Notwithstanding anything to the contrary, a Participant shall vest in his or her benefits under Section 4.05 of this 2009 UGI SERP when the Participant's employment has terminated under the circumstances described in Section 4.05 and the Participant has met all the requirements of the Participant's Change in Control Agreement that entitle the Participant to receive the benefits described in Section 4.05.

ARTICLE IV

BENEFITS

Sec. 4.01 Benefit Credits.

(a) UGI shall establish a bookkeeping account for each Participant. At the end of each Plan Year, UGI shall credit to the Participant's account an amount equal to 5% of the Participant's maximum recognizable Compensation as determined under the limit in effect under section 401(a)(17) of the Code for the calendar year in which the Plan Year begins, and 10% of the Participant's Compensation, if any, in excess of such maximum recognizable Compensation under section 401(a)(17) of the Code. For UGI Energy Services, Inc. Participants, this subsection (a) shall be effective for Plan Years beginning on or after October 1, 2010.

(b) In addition, in the event that any portion of the Matching Contribution allocated to a Participant under the Savings Plan with respect to the Savings Plan year in which the Plan Year begins is forfeited to satisfy the nondiscrimination requirements of section 401(m) of the Code, UGI shall credit to the Participant's account under the 2009 UGI SERP, in the Plan Year in which the forfeiture occurs, an amount that is equal to the forfeited Matching Contributions, adjusted for earnings and losses as provided under the Savings Plan to the date forfeited. The allocation with respect to forfeited Matching Contributions shall not exceed the Matching Contributions that would have been provided under the Savings Plan in the absence of any plan-based restrictions that reflect limits on qualified plan contributions under the Code, in accordance with section 409A of the Code. For UGI Energy Services, Inc. Participants, this subsection (b) shall be effective for Savings Plan years beginning on or after January 1, 2011.

Sec. 4.02 Timing of Credits. Amounts shall be credited to a Participant's account annually within 90 days after the end of the Plan Year.

Sec. 4.03 Earnings.

(a) For purposes of measuring the investment returns of a Participant's account, the Participant may select the investment funds in which all or part of his account shall be deemed to be invested, from the investment funds designated by the Administrative Committee.

(b) A Participant shall make an investment designation by such method as the Administrative Committee determines. An investment designation shall remain effective until another valid designation has been made by the Participant. The Participant may amend his or her investment designation at such time or times as permitted by the Administrative Committee in its sole discretion, and in accordance with such procedures as may be established by the Administrative Committee.

(c) In the absence of any Participant election designating the deemed investment of his account, a Participant shall be deemed to have elected that his account be invested in the manner selected by the Administrative Committee for such circumstance.

(d) Each Participant's account shall be adjusted periodically to take into account the gains, losses and income returns of the investment funds selected by the Participant.

Sec. 4.04 Divestiture. Each Participant shall be divested of, and shall immediately forfeit, any benefit to which the Participant is otherwise entitled under the 2009 UGI SERP if the

Participant experiences a Termination for Cause or if the Participant terminates employment with UGI and its Affiliates prior to satisfying the vesting requirements in Section 3.02 above.

Sec. 4.05 Change of Control Benefit. In the event of a Change of Control (as defined in the applicable Change in Control Agreement), if and to the extent required by a Participant's Change in Control Agreement, each Participant in the 2009 UGI SERP who is entitled to receive severance benefits under a Change in Control Agreement shall receive a credit to the Participant's account equal to the aggregate credits that would have been made under Section 4.01(a) had the Participant continued in employment during the continuation period under the Change in Control Agreement and received annual compensation as described in the Change in Control Agreement. This amount shall be credited to the Participant's account as of the Participant's termination date.

ARTICLE V

FORM AND TIMING OF BENEFIT DISTRIBUTION

Sec. 5.01 Form of Benefit Distributions. A Participant's vested account under the 2009 UGI SERP shall be paid in a lump sum to the Participant upon the Participant's termination of employment with UGI and its Affiliates for any reason other than Termination for Cause. In the event of death, the Participant's vested account shall be paid in a lump sum to the Participant's beneficiary designated in writing on a form filed with the Administrative Committee or its designee or, if there is none, to the Participant's estate.

Sec. 5.02 Timing of Benefit Distributions. Except as otherwise required by Section 5.03 below, vested benefits payable under the 2009 UGI SERP shall be paid within 60 days after a Participant's termination of employment for a reason other than Termination for Cause.

Sec. 5.03 Key Employees. If required by section 409A of the Code, no benefits shall be paid to a Participant who is a Key Employee during the Postponement Period. If a Participant is a Key Employee and payment of benefits under the 2009 UGI SERP is required to be delayed for the Postponement Period, the accumulated amounts withheld on account of section 409A of the Code shall be paid in a lump sum payment within 15 days after the end of the Postponement Period. If the Participant dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of section 409A of the Code shall be paid to the Participant's beneficiary (as described in Section 5.01) within 60 days after the Participant's death.

Sec. 5.04 Deferral Elections. Notwithstanding the foregoing, a Participant may make a one-time, irrevocable election to elect to have the Participant's vested account under this 2009 UGI SERP credited to the Participant's account under the Deferral Plan on the date of the Participant's separation from service, in lieu of the payments described in Section 5.01 and 5.02. If the Participant makes a deferral election, the Participant's vested account under this 2009 UGI SERP 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. An election under this Section 5.04 shall be made in writing, on

a form and at a time prescribed by the Administrative Committee and shall be irrevocable upon submission to the Corporate Secretary of UGI Corporation.

ARTICLE VI

FUNDING OF BENEFITS

Sec. 6.01 Source of Funds. The Board may, but shall not be required to, authorize the establishment of a rabbi trust for the benefits described herein. In any event, UGI's obligation hereunder shall constitute a general, unsecured obligation, payable solely out of its general assets, and no Participant shall have any right to any specific assets of UGI or any such vehicle.

Sec. 6.02 Participant Contributions. There shall be no contributions made by Participants under the 2009 UGI SERP.

ARTICLE VII

THE COMMITTEE

Sec. 7.01 Appointment and Tenure of Administrative Committee Members. The Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee. Any Administrative Committee member may resign by delivering his or her written resignation to the Compensation Committee. Vacancies arising by the death, resignation or removal of an Administrative Committee member may be filled by the Compensation Committee.

Sec. 7.02 Meetings; Majority Rule. Any and all acts of the Administrative Committee taken at a meeting shall be by a majority of all members of the Administrative Committee. The Administrative Committee may act by vote taken in a meeting (at which a majority of members shall constitute a quorum). The Administrative Committee may also act by unanimous consent in writing without the formality of convening a meeting.

Sec. 7.03 Delegation. The Administrative Committee may, by majority decision, delegate to each or any one of its members, authority to sign any documents on its behalf, or to perform ministerial acts, but no person to whom such authority is delegated shall perform any act involving the exercise of any discretion without first obtaining the concurrence of a majority of the members of the Administrative Committee, even though such person alone may sign any document required by third parties. The Administrative Committee shall elect one of its members to serve as Chairperson. The Chairperson shall preside at all meetings of the Administrative Committee or shall delegate such responsibility to another Administrative Committee member. The Administrative Committee shall elect one person to serve as Secretary to the Administrative Committee. All third parties may rely on any communication signed by the Secretary, acting as such, as an official communication from the Administrative Committee.

Sec. 7.04 Authority and Responsibility of the Administrative Committee. The Administrative Committee shall have only such authority and responsibilities as are delegated to

it by the Compensation Committee or specifically under this 2009 UGI SERP. The Administrative Committee shall have full power and express discretionary authority to administer and interpret the 2009 UGI SERP, to make factual determinations and to adopt or amend such rules and regulations for implementing the 2009 UGI SERP and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Administrative Committee's authorities and responsibilities shall also include:

- (a) maintenance and preservation of records relating to Participants, former Participants, and their beneficiaries;
- (b) preparation and distribution to Participants of all information and notices required under federal law or the provisions of the 2009 UGI SERP;
- (c) preparation and filing of all governmental reports and other information required under law to be filed or published;
- (d) construction of the provisions of the 2009 UGI SERP, to correct defects therein and to supply omissions thereto;
- (e) engagement of assistants and professional advisers;
- (f) arrangement for bonding, if required by law; and
- (g) promulgation of procedures for determination of claims for benefits.

Sec. 7.05 Compensation of Administrative Committee Members. The members of the Administrative Committee shall serve without compensation for their services as such, but all expenses of the Administrative Committee shall be paid or reimbursed by UGI.

Sec. 7.06 Committee Discretion. Any discretion, actions or interpretations to be made under the 2009 UGI SERP by the Administrative Committee or by the Compensation Committee on behalf of UGI shall be made in its sole discretion, not acting in a fiduciary capacity, need not be uniformly applied to similarly situated individuals, and shall be final, binding and conclusive upon the parties. All benefits under the 2009 UGI SERP shall be provided conditional upon the Participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Administrative Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under the 2009 UGI SERP.

Sec. 7.07 Indemnification of the Committees. Each member of the Administrative Committee and each member of the Compensation Committee shall be indemnified by UGI against costs, expenses and liabilities (other than amounts paid in settlement to which UGI does not consent) reasonably incurred by the member in connection with any action to which the member may be a party by reason of the member's service on the applicable Committee, except in relation to matters as to which the member shall be adjudged in such action to be personally guilty of gross negligence or willful misconduct in the performance of the member's duties. The

foregoing right to indemnification shall be in addition to such other rights as the Administrative Committee member or the Compensation Committee member may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrative Committee member or the Compensation Committee member may be entitled pursuant to the by-laws of UGI. Service on the Administrative Committee or the Compensation Committee shall be deemed in partial fulfillment of the applicable Committee member's function as an employee, officer, or director of UGI, if the Committee member also serves in that capacity.

ARTICLE VIII

AMENDMENT AND TERMINATION

Sec. 8.01 Amendment. The provisions of the 2009 UGI SERP may be amended at any time and from time to time by the Compensation Committee for any reason without either the consent of or prior notice to any Participant; *provided, however*, that no such amendment shall serve to reduce the benefit that has accrued on behalf of a Participant as of the effective date of the amendment. Notwithstanding the foregoing, the Administrative Committee may adopt any amendment to the 2009 UGI SERP as it shall deem necessary or appropriate to (i) maintain compliance with current laws and regulations; (ii) correct errors and omissions in the 2009 UGI SERP document; and (iii) facilitate the administration and operation of the 2009 UGI SERP.

Sec. 8.02 2009 UGI SERP Termination. While it is UGI's intention to continue the 2009 UGI SERP indefinitely in operation, UGI, by action of the Compensation Committee, reserves the right to terminate the 2009 UGI SERP in whole or in part at any time for any reason without either the consent of or prior notice to any Participant. No such termination shall reduce the benefit that has accrued on behalf of a Participant as of the effective date of the termination, but UGI may immediately distribute all accrued benefits upon termination of the 2009 UGI SERP in accordance with section 409A of the Code.

ARTICLE IX

CLAIMS PROCEDURES

Sec. 9.01 Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the 2009 UGI SERP (hereinafter referred to as "claimant"), or requesting information under the 2009 UGI SERP shall present the request in writing to the Administrative Committee, which shall respond in writing or electronically. The notice advising of the denial shall be furnished to the claimant within 90 days of receipt of the benefit claim by the Administrative Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Administrative Committee shall provide notice of the extension prior to the termination of the 90 day period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim.

Sec. 9.02 Denial of Claim. If the claim or request is denied, the written or electronic notice of denial shall state:

- (h) The reason(s) for denial;
- (i) Reference to the specific 2009 UGI SERP provisions on which the denial is based;
- (j) A description of any additional material or information required and an explanation of why it is necessary; and
- (k) An explanation of the 2009 UGI SERP's claims review procedures and the time limits applicable to such procedures, including the right to bring a civil action under section 502(a) of ERISA.

Sec. 9.03 Final Decision. The decision on review shall normally be made within 60 days after the Administrative Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing or in electronic form and shall:

- (a) State the specific reason(s) for the denial;
- (b) Reference the relevant 2009 UGI SERP provisions;
- (c) State that the claimant is entitled to receive, upon request and free of charge, and have reasonable access to and copies of all documents, records and other information relevant to the claim for benefits; and
- (d) State that the claimant may bring an action under section 502(a) of ERISA.

All decisions on review shall be final and bind all parties concerned.

Sec. 9.04 Review of Claim. Any claimant whose claim or request is denied or who has not received a response within 60 days may request a review by notice given in writing or electronic form to the Administrative Committee. Such request must be made within 60 days after receipt by the claimant of the written or electronic notice of denial, or in the event the claimant has not received a response, 60 days after receipt by the Administrative Committee of the claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

ARTICLE X

MISCELLANEOUS PROVISIONS

Sec. 10.01 Nonalienation of Benefits. None of the payments, benefits or rights of any Participant under the 2009 UGI SERP shall 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. No Participant shall have the right to alienate, anticipate commute, pledge, encumber or assign any of the benefits or payments which he or she may expect to receive, contingently or otherwise, under the 2009 UGI SERP.

Sec. 10.02 No Contract of Employment. Neither the establishment of the 2009 UGI SERP, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of a Participating Employer, and all Participants and other Employees shall remain subject to discharge to the same extent as if the 2009 UGI SERP had never been adopted.

Sec. 10.03 Severability of Provisions. If any provision of the 2009 UGI SERP shall be held invalid or unenforceable, such validity or unenforceability shall not affect any other provisions hereof, and the 2009 UGI SERP shall be construed and enforced as if such provision had not been included.

Sec. 10.04 Heirs, Assigns and Personal Representatives. The 2009 UGI SERP shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, present and future.

Sec. 10.05 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the 2009 UGI SERP, and shall not be employed in the construction of the 2009 UGI SERP.

Sec. 10.06 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Sec. 10.07 Controlling Law. The 2009 UGI SERP shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.

Sec. 10.08 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Participating Employers, the Board, the Administrative Committee, the Compensation Committee and all other parties with respect thereto.

Sec. 10.09 Lost Payees. A benefit shall be deemed forfeited if the Administrative Committee is unable to locate a Participant to whom payment is due; provided, however, that such benefit shall be reinstated if a claim is made by the proper payee for the forfeited benefit.

Sec. 10.10 Reliance on Data and Consents. The Participating Employers, the Board, the Compensation Committee, the Administrative Committee, all fiduciaries with respect to the 2009 UGI SERP, and all other persons or entities associated with the operation of the 2009 UGI SERP, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by the Participant, including, without limitation, data with respect to age, health and marital status. Furthermore, the Participating Employers, the Board, the Compensation Committee, the Administrative Committee and all fiduciaries with respect to the 2009 UGI SERP may reasonably rely on all consents, elections and designations filed with the 2009 UGI SERP or those associated with the operation of the 2009 UGI SERP by any Participant, or the representatives of any such person without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the 2009 UGI SERP or the benefits provided under the 2009 UGI SERP shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants to advise the appropriate parties of any change in such data.

Sec. 10.11 Taxation.

(a) The 2009 UGI SERP is intended to comply with section 409A of the Code. Notwithstanding anything in the 2009 UGI SERP to the contrary, allocations to the 2009 UGI SERP shall be made consistent with section 409A, and distributions may only be made under the 2009 UGI SERP upon an event and in a manner permitted by section 409A of the Code. All payments under the 2009 UGI SERP shall be subject to applicable tax withholding. Distributions upon termination of employment shall only be made upon the Participant's "separation from service" under section 409A of the Code, and in no event may a Participant designate the calendar year of a payment.

(b) If a Participant is subject to tax under the Federal Insurance Contribution Act (FICA) before distributions are to be made under the 2009 UGI SERP, a distribution may be made under the 2009 UGI SERP to pay the FICA tax imposed under section 3101 of the Code, section 3121(a) of the Code, and section 3121(v)(2) of the Code, or to pay the income tax at source on wages imposed under section 3401 of the Code or the corresponding withholding provisions of applicable state, local, or foreign tax laws as a result of the payment of the FICA amount, and to pay the additional income tax at source on wages attributable to the pyramiding section 3401 of the Code wages and taxes. The total payment made pursuant to this subsection must not exceed the aggregate FICA and related tax amount permitted under section 409A of the Code.

SCHEDULE A

PARTICIPATING EMPLOYERS

1. UGI Corporation
2. UGI Utilities, Inc.
3. UGI Penn Natural Gas, Inc.
4. UGI Central Penn Gas, Inc.
5. UGI Energy Services, Inc., effective as of October 1, 2010

UGI CORPORATION

2009 DEFERRAL PLAN

As amended and restated effective January 24, 2014

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BACKGROUND

UGI Corporation currently maintains the UGI Corporation Supplemental Executive Retirement Plan (“UGI SERP”) and the UGI Corporation 2009 Supplemental Executive Retirement Plan (“2009 UGI SERP”) (collectively, the “UGI Plans”), and the UGI Corporation 2004 Omnibus Equity Compensation Plan, as amended, and 2013 Omnibus Incentive Compensation Plan (collectively, with any predecessor equity plans, the “Equity Plan”). AmeriGas Propane Inc. currently maintains the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan (“AmeriGas SERP”), and the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. (“2010 AmeriGas LTIP”). UGI Corporation grants stock units to non-employee directors under the Equity Plan, and AmeriGas Propane, Inc. grants phantom units to non-employee directors under the 2010 AmeriGas LTIP.

UGI Corporation and AmeriGas Propane, Inc. desire to allow employees who are participants in the UGI Plans or the AmeriGas SERP, and non-employee directors who hold stock units or phantom units, to defer benefits under the UGI Plans, AmeriGas SERP, stock units or phantom units after separation from service. UGI Corporation and AmeriGas Propane, Inc. have adopted this amended and restated Plan to allow such deferral of benefits. Non-employee directors of the AmeriGas Board are eligible to participate in the Plan as of the date on which the APLP unitholders approved the 2010 AmeriGas LTIP.

All shares of UGI Corporation common stock that are to be distributed pursuant to stock units deferred under this Plan shall be issued under the applicable Equity Plan and shall in all respects be subject to the terms of the applicable Equity Plan. All common units of APLP that are to be distributed pursuant to phantom units deferred under this Plan shall be issued under the 2010 AmeriGas LTIP and shall in all respect be subject to the terms of the 2010 AmeriGas LTIP.

ARTICLE 1

Definitions

- 1.1 “2009 UGI SERP” means the UGI Corporation 2009 Supplemental Executive Retirement Plan.
- 1.2 “2010 AmeriGas LTIP” means the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P.
- 1.3 “Account” means a bookkeeping account established pursuant to Section 3.1 to reflect the total amount standing to the credit of the Participant under the Plan.
- 1.4 “Administrative Committee” shall mean the committee designated by the Compensation Committee to administer the Plan.
- 1.5 “Affiliated Company” means any affiliate or subsidiary of the Company, including AmeriGas Propane, Inc.

- 1.6 “Agreement” means the written instrument that sets forth the terms and conditions of a grant issued under the UGI Plans or AmeriGas SERP, or Stock Units, including all amendments thereto.
- 1.7 “AmeriGas Board” means the Board of Directors of AmeriGas Propane, Inc., as constituted from time to time.
- 1.8 “AmeriGas LTIP Change of Control” means a “Change of Control” as defined in the 2010 AmeriGas LTIP.
- 1.9 “AmeriGas SERP” means the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as amended.
- 1.10 “APLP” means AmeriGas Partners, L.P.
- 1.11 “APLP Partnership Agreement” means the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., dated as of July 27, 2009, as amended from time to time.
- 1.12 “Beneficiary” means the person designated by a Participant to receive any benefits payable after the Participant’s death. The Company shall provide a form for this purpose. In the event a Participant has not filed a Beneficiary designation with the Company or none of the designated Beneficiaries are living at the date of the Participant’s death, the Beneficiary shall be the Participant’s estate.
- 1.13 “Board” means the Board of Directors of the Company.
- 1.14 “Change of Control” means “Change of Control” of the Company, as defined in the applicable Equity Plan under which the Stock Units were granted.
- 1.15 “Code” means the Internal Revenue Code of 1986, as amended.
- 1.16 “Common Unit” means a unit representing a fractional part of the partnership interests of all limited partners and assignees with respect to APLP and having the rights and obligations specified with respect to common units in the APLP Partnership Agreement.
- 1.17 “Compensation Committee” means the Compensation and Management Development Committee of the Board.
- 1.18 “Company” means UGI Corporation and its successors.
- 1.19 “Deferral Election” means an election to defer benefits under the UGI Plans, AmeriGas SERP benefits, Stock Units or Phantom Units as described in Section 3.2.

- 1.20 “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.
- 1.21 “Dividend Equivalent” means an amount determined by multiplying the number of shares of common stock of the Company 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 the Company on its common stock.
- 1.22 “Effective Date” of the Plan is January 1, 2009.
- 1.23 “Employee” means any individual employed by the Employer as an officer, senior manager or other highly compensated employee.
- 1.24 “Employer” means the Company and its Affiliated Companies, either collectively or individually, as the context requires.
- 1.25 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 1.26 “Equity Plan” means the Company’s 2004 Omnibus Equity Compensation Plan, as amended, the Company’s 2013 Omnibus Incentive Compensation Plan, and any predecessor equity plan.
- 1.27 “Grant Letter” means the written instrument that sets forth the terms and conditions of the Phantom Units, including all amendments thereto.
- 1.28 “Key Employee” means 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.
- 1.29 “Non-Employee Director” means a member of the Board or AmeriGas Board, as applicable, who is not an employee of the Employer.
- 1.30 “Participant” means any Employee or Non-Employee Director who satisfies the eligibility requirements set forth in Article 2 and elects to participate in the Plan.
- 1.31 “Phantom Units” means phantom units issued to Non-Employee Directors of the AmeriGas Board under the 2010 AmeriGas LTIP.

- 1.32 “Plan” means this UGI Corporation 2009 Deferral Plan.
- 1.33 “Postponement Period” means, 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 payments may not be made to the Key Employee under section 409A of the Code.
- 1.34 “Re-Deferral Election” means an election to re-defer the payment date of an Account as described in Section 4.3.
- 1.35 “Retirement Distribution Account” means a distribution account described in Section 4.2.
- 1.36 “Separation from Service” means a Participant’s separation from service with the Employer within the meaning of section 409A of the Code and the regulations promulgated thereunder.
- 1.37 “Stock Units” means the stock units issued to Non-Employee Directors under the Equity Plan.
- 1.38 “UGI Plans” means collectively, the UGI SERP and the 2009 UGI SERP.
- 1.39 “UGI SERP” means the UGI Corporation Supplemental Executive Retirement Plan, as amended.
- 1.40 “Unit Value” means, at any time, the value of each Stock Unit or Phantom Unit, as applicable, which shall be equal to the Fair Market Value (as defined in the Equity Plan or 2010 AmeriGas LTIP, as applicable) of a share of the Company’s common stock or a Common Unit, as applicable, on such date.

ARTICLE 2

Eligibility.

2.1 Participation.

Each Employee who has earned an accrued benefit under the UGI Plans or the AmeriGas SERP, and each Non-Employee Director who receives a grant of Stock Units or Phantom Units shall be eligible to participate in the Plan. Non-Employee Directors of the AmeriGas Board shall become eligible to participate in the Plan as of the date on which the APLP unitholders approve the 2010 AmeriGas LTIP, or, if later, as of the date of the Non-Employee Director’s first election to the AmeriGas Board. Each such Employee or Non-Employee Director may elect to become a Participant by electing to have an Account established under this Plan upon Separation from Service, as described in Section 3.2 below.

ARTICLE 3

Benefits

3.1 Account.

The Employer shall create and maintain on its books an Account for each Participant after Separation from Service, to which it shall credit amounts credited to the Plan pursuant to this Article 3. The Employer shall also credit each Participant's Account with deemed earnings, Dividend Equivalents or Distribution Equivalents, as applicable, in accordance with the provisions of Article 7 below.

3.2 Deferral Elections with respect to the UGI Plans, AmeriGas SERP, Stock Units and Phantom Units.

(a) An Employee who has an accrued benefit in the UGI SERP or the AmeriGas SERP as of December 1, 2008, may elect in 2008 to have his or her benefit under the UGI SERP or AmeriGas SERP at Separation from Service credited to the Employee's Account under this Plan as of the date of the Employee's Separation from Service. A Non-Employee Director who holds Stock Units as of December 31, 2008, may elect in 2008 to have his or her Stock Units at Separation from Service credited to the Non-Employee Director's Account under this Plan as of the date of the Non-Employee Director's Separation from Service.

(b) An Employee who first accrues a benefit in the UGI SERP after December 31, 2008, may elect to have his or her benefit under the UGI SERP credited to the Employee's Account under this Plan as of the date of the Employee's Separation from Service. The election must be made no later than 30 days following the first day of the calendar year following the calendar year in which the Employee first accrues a benefit under the UGI SERP, or as otherwise required by section 409A.

(c) An Employee who first accrues a benefit in the AmeriGas SERP after December 31, 2008, may elect to have his or her benefit under the AmeriGas SERP credited to the Employee's Account under this Plan as of the date of the Employee's Separation from Service. The election must be made before the first year in which the Employee accrues a benefit under the AmeriGas SERP (or any other nonqualified deferred compensation plan that is aggregated with the AmeriGas SERP for purposes of section 409A) or in the case of a newly hired Employee, not later than 30 days after the Employee first becomes eligible to participate in the AmeriGas SERP (or any other nonqualified deferred compensation plan that is aggregated with the AmeriGas SERP for purposes of section 409A), with respect to compensation for services to be performed after the election, in accordance with section 409A.

(d) A Non-Employee Director of the Board who first receives Stock Units after December 31, 2008, may elect to have his or her Stock Units credited to the Non-Employee Director's Account under this Plan as of the date of the Non-Employee Director's Separation from Service. The election must be made before the first year in which the Non-Employee Director receives Stock Units or, in the case of a newly elected (after January 1, 2009) Non-Employee Director, not later than 30 days after the Non-Employee Director first becomes eligible to participate in the Plan, with respect to compensation for services to be performed after the election, in accordance with section 409A.

(e) A Non-Employee Director of the AmeriGas Board who receives Phantom Units under the 2010 AmeriGas LTIP may elect to have his or her Phantom Units credited to the Non-Employee Director's Account under this Plan as of the date of the Non-Employee Director's Separation from Service. For Non-Employee Directors of the AmeriGas Board who first become eligible to participate in the Plan upon APLP unitholder approval of the 2010 AmeriGas LTIP, the election must be made no later than 30 days after they first become eligible to participate in the Plan, with respect to compensation for services to be performed after the election, in accordance with section 409A. Subsequently, newly elected Non-Employee Directors of the AmeriGas Board must make the election no later than 30 days after the Non-Employee Director first becomes eligible to participate in the Plan, with respect to compensation for services to be performed after the election, in accordance with section 409A.

(f) An Employee who first accrues a benefit in the 2009 UGI SERP on or after October 1, 2009, may elect to have his or her benefit under the 2009 UGI SERP credited to the Employee's Account under this Plan as of the date of the Employee's Separation from Service. The election must be made before the first year in which the Employee accrues a benefit under the 2009 UGI SERP (or any other nonqualified deferred compensation plan that is aggregated with the 2009 UGI SERP for purposes of section 409A) or, in the case of a newly hired Employee, not later than 30 days after the Employee first becomes eligible to participate in the 2009 UGI SERP (or any other nonqualified deferred compensation plan that is aggregated with the 2009 UGI SERP for purposes of section 409A), with respect to compensation for services to be performed after the election, in accordance with section 409A.

(g) Each Employee or Non-Employee Director who makes an election under subsection (a), (b), (c), (d), (e) or (f) shall elect, at the same time, the form and time of payment of the benefits to be credited to his or her Account under this Plan, as described in Section 3.3 below.

(h) If an Employee makes an election with respect to his or her benefit in the AmeriGas SERP and subsequently becomes eligible for the first time to participate in the 2009 UGI SERP, the Employee's election with respect to the AmeriGas SERP shall apply with respect to any benefits earned under both the AmeriGas SERP and the 2009 UGI SERP. Similarly, if an Employee makes an election with respect to his or her

benefit in the 2009 UGI SERP and subsequently becomes eligible for the first time to participate in the AmeriGas SERP, the Employee's election with respect to the 2009 UGI SERP shall apply with respect to any benefits earned under both the AmeriGas SERP and the 2009 UGI SERP.

(i) Notwithstanding the foregoing, the Administrative Committee may impose such rules and restrictions as it deems appropriate on Deferral Elections, in accordance with section 409A, including rules and restrictions with respect to the ability of newly promoted Employees to make Deferral Elections under the Plan.

3.3 Election of Form and Time of Payment.

When an Employee or Non-Employee Director makes an election pursuant to Section 3.2, the Employee or Non-Employee Director shall select one or more of the following forms and times of payment under the Plan for amounts credited under the the UGI Plans, AmeriGas SERP, Stock Units or Phantom Units, as applicable:

(a) An Employee may elect that the Employee's benefits under the UGI Plans or the AmeriGas SERP be paid in a lump sum payment within 30 business days after the Employee's Separation from Service date, subject to the Postponement Period for section 409A. A Non-Employee Director may elect that his or her Stock Units or Phantom Units shall be paid in a lump sum payment within 30 business days after his or her Separation from Service date. To the extent that any benefits under the UGI Plans, AmeriGas SERP benefits, Stock Units or Phantom Units are to be paid in a lump sum under this subsection (a), such benefits, Stock Units or Phantom Units shall be paid in accordance with the UGI Plans, AmeriGas SERP, Stock Unit Agreements or Phantom Unit Grant Letters, as applicable, and no Account for such benefits, Stock Units or Phantom Units will be established under this Plan.

(b) A Participant may elect that as of the Participant's Separation from Service date, the amounts deferred from the UGI Plans, AmeriGas SERP, Stock Units or Phantom Units, as applicable, shall be credited to a Retirement Distribution Account and shall be paid in installments over two to 10 years. The payments shall commence 14 months after the Participant's Separation from Service date and shall be paid annually thereafter in the calendar year following the first payment and subsequent calendar years.

(c) A Participant may elect that as of the Participant's Separation from Service date, the amounts deferred from the UGI Plans, AmeriGas SERP, Stock Units or Phantom Units, as applicable, shall be credited to up to five Retirement Distribution Accounts, each of which shall be paid in a lump sum in the year specified by the Participant. The first Retirement Distribution Account shall become payable 14 months after the Participant's Separation from Service date, unless the Participant has elected otherwise in accordance with the Plan.

3.4 Delivery Instructions

Each Participant's deferral election must be made in writing on the distribution election form attached hereto as Exhibits A, B, C, D or E, as applicable, or similar forms, and must be filed with the Company's Corporate Secretary.

ARTICLE 4

Distributions to Participants

4.1 Separation from Service.

When a Participant Separates from Service, the amounts to be credited from the UGI Plans, AmeriGas SERP, Stock Units or Phantom Units, as applicable, shall be credited to the Participant's Account under this Plan in accordance with the Participant's distribution election pursuant to Section 3.3. The amounts shall be distributed as follows:

(a) If the Participant has elected a lump sum payment under Section 3.3(a), the amount shall be distributed in a lump sum payment as described in Section 3.3(a) under the UGI Plans, AmeriGas SERP, Stock Unit Agreement or Phantom Unit Grant Letter, as applicable.

(b) If the Participant has elected installment payments under Section 3.3(b), the amount shall be distributed in the number of installments elected, as described in Section 3.3(b). The installments will be paid annually, and each installment will be calculated as the amount credited to the Participant's Retirement Distribution Account immediately before the distribution date, divided by the number of remaining years in the payment schedule.

(c) If the Participant has elected one to five Retirement Distribution Accounts under Section 3.3(c), each Retirement Distribution Account shall be paid in a lump sum on the specified date after the Participant's Separation from Service.

(d) If a Participant has not elected the form and timing of payment, the amount will be distributed in a lump sum payment as described in Section 3.3(a).

(e) Notwithstanding the foregoing or any elections to the contrary, if the total amounts credited to the Participant's aggregate Retirement Distribution Accounts is less than \$25,000 at the Participant's Separation from Service date, distribution shall be made in a lump sum payment as described in Section 3.3(a).

4.2 Death

(a) If a Participant dies before Separation from Service, the Participant's benefit under the UGI SERP will be paid to his or her surviving spouse in the form designated by the Participant under Section 3.3. If a Participant dies before Separation from Service and does not have a surviving spouse, no death benefit will be paid under the UGI SERP. If a Participant dies after Separation from Service, the Participant's benefit under the UGI SERP will be paid to his or her Beneficiary in the form and at the time designated by the Participant under Section 3.3.

(b) If a Participant dies before or after Separation from Service, the Participant's benefit under the AmeriGas SERP, the 2009 UGI SERP, the Participant's Stock Units or Phantom Units, as applicable, will be paid to his or her Beneficiary in the form and at the time designated by the Participant under Section 3.3.

4.3 Re-Deferral Elections.

Subject to the timing requirements described below, a Participant may change his or her elections regarding the time and form of distribution (a "***Re-Deferral Election***"), as follows:

(a) A Participant who has previously elected to receive his or her distribution in the form of a lump sum (or whose distribution is payable in a lump sum by operation of the Plan) may elect to re-defer all or any part of that scheduled distribution to a later date pursuant to subsection (b) below. A Participant who has previously elected to receive his or her distribution in the form of installments may elect to re-defer the entire distribution amount to a later date, provided that the election must be made pursuant to subsection (b) below before the installment payments begin.

(b) Any Re-Deferral Election (i) will be irrevocable when made, (ii) may not accelerate the payment (in the case of installments, the Re-Deferral Election may not accelerate the first scheduled payment), (iii) will not be effective as to any payment scheduled to be made within 12 months of the Re-Deferral Election and (iv) must defer the first payment to which the Re-Deferral Election applies for at least five additional years. All Re-Deferral Elections must be made in accordance with section 409A of the Code.

(c) No Re-Deferral Election may be made by a Participant who Separates from Service before the Participant has attained age 55 and has completed 10 years of service with the Employer. No Re-Deferral Election may be made after a Participant's death. No Re-Deferral Election may be made after the tenth anniversary of the Participant's Separation from Service.

(d) In addition, in no event may a Participant make a Re-Deferral Election unless the Participant's Retirement Distribution Account to be re-deferred is at least \$25,000 at the time of the election.

(e) Notwithstanding the foregoing, the Company reserves the right to reject any new Re-Deferral Election, in which case the applicable Account will be distributed in accordance with the Participant's deferral election or Re-Deferral Election then in effect.

(f) A Participant's Re-Deferral Election must be made in writing and filed with the Company's Corporate Secretary. The Company must acknowledge receipt of the Re-Deferral Election in order for the Re-Deferral Election to be valid. The Re-Deferral Election must designate a form and time of payment described in Section 3.3, except that the payment date shall be postponed as described in the Re-Deferral Election. All references in Sections 4.1 and 4.2 to payment dates and forms under Section 3.3 shall be deemed to include any applicable Re-Deferral Elections.

4.4 Change of Control.

(a) The following provisions apply in the event of a Change of Control of the Company, notwithstanding anything in the Plan to the contrary:

(i) A Change of Control will not affect the form and timing of distribution of the benefits under the UGI Plans and the AmeriGas SERP that are deferred under this Plan.

(ii) In the event of a Change of Control that is a change in control event under section 409A of the Code, the Company shall redeem all the Stock Units then credited to the Participant's Account and the redemption amount shall be paid in cash on the closing date of the Change of Control. 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.

(iii) 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 within 30 business days after the Participant's Separation from Service date, instead of upon the Change of Control. (For example, an acquisition by any person of 20% or more of the voting power of the Company's stock may be a Change of Control under the Equity Plan, whereas the section 409A definition requires that the person acquire 30% of the voting power of the stock). If the Change of Control is not a change in control event under section 409A of the Code and the Participant Separated from Service before the Change of Control, the Participant's Stock Units shall be paid in cash at the applicable date specified in Section 4.1, 4.2 or 4.3. If payment is delayed after the Change of Control pursuant to this subsection (iii), the Compensation Committee may provide for the Stock Units to be valued at the Unit Value 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.

(b) The following provisions apply in the event of an AmeriGas LTIP Change of Control, notwithstanding anything in the Plan to the contrary:

(i) In the event of an AmeriGas LTIP Change of Control that is a change in control event under section 409A of the Code, APLP shall redeem all the Phantom Units then credited to the Participant's Account and the redemption amount shall be paid in cash on the closing date of the AmeriGas LTIP Change of Control. 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 AmeriGas LTIP Change of Control.

(ii) In the event that the transaction constituting an AmeriGas LTIP Change of Control is not a change in control event under section 409A of the Code, the Participant's Phantom Units shall be redeemed and paid in cash within 30 business days after the Participant's Separation from Service date, instead of upon the AmeriGas LTIP Change of Control. If the AmeriGas LTIP Change of Control is not a change in control event under section 409A of the Code and the Participant Separated from Service before the AmeriGas LTIP Change of Control, the Participant's Phantom Units shall be paid in cash at the applicable date specified in Section 4.1, 4.2 or 4.3. If payment is delayed after the AmeriGas LTIP Change of Control, pursuant to this subsection (ii), the Compensation Committee may provide for the Phantom Units to be valued at the Unit Value as of the date of the AmeriGas LTIP Change of Control and interest to be credited on the amount so determined at a market rate for the period between the AmeriGas LTIP Change of Control date and the payment date.

4.5 Medium of Payment. All distributions under the Plan shall be made in cash, except that (i) distributions of Stock Units (including Dividend Equivalents) shall be made 65% in Company common stock issued under the Equity Plan and 35% in cash, or as otherwise specified under the applicable Stock Unit Agreement or under Section 4.4, and (ii) distributions of Phantom Units (including Distribution Equivalents) shall be made 65% in Common Units issued under the 2010 AmeriGas LTIP and 35% in cash, or as otherwise specified under the applicable Phantom Unit Grant Letter or under Section 4.4.

4.6 Section 409A Six-Month Delay.

Notwithstanding any provision of the Plan to the contrary, distributions upon a Separation from Service to a Participant who is a Key Employee shall not be made during the Participant's 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 shall be paid in a lump sum payment within 15 days of the Postponement Period. If the Participant dies during the Postponement Period prior to the distribution of the Participant's Retirement Distribution Account, the amounts withheld on account of section 409A shall be paid to the Participant's estate within 60 days after the Participant's death.

ARTICLE 5

Vesting

5.1 The balance credited to a Participant's Account shall be fully vested at all times.

ARTICLE 6

Funding

6.1 The Board may, but shall not be required to, authorize the establishment of a rabbi trust for the benefits described herein. In any event, the Company's obligation hereunder shall constitute a general, unsecured obligation, payable solely out of its general assets, and no Participant shall have any right to any specific assets of the Company or any such vehicle.

ARTICLE 7

Investments

7.1 After a Participant's Separation from Service, amounts credited to the Plan from the UGI Plans, AmeriGas SERP, Stock Units or Phantom Units shall be credited with earnings and losses as follows:

(a) Amounts credited to a Participant's Retirement Distribution Account from the UGI Plans or the AmeriGas SERP that are to be paid pursuant to Section 3.3(b) or 3.3(c) shall be deemed to be invested in investment funds according to procedures established by the Administrative Committee. The Participant may select the investment funds from among the funds made available by the Administrative Committee. If a Participant does not select the investment funds, the amounts credited for the Participant shall be deemed invested in a target retirement fund selected by the Administrative Committee.

(b) Stock Units that are credited to the Plan and are to be paid pursuant to Section 3.3(b) or 3.3(c) shall continue to be held in the form of Stock Units. Dividend Equivalents shall be credited to the Participant's Account with respect to Stock Units when dividends are paid on Company common stock, in an amount equal to the Dividend Equivalent associated with the Stock Units held by the Participant on the record date for the dividend. 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 that calendar year. In the event of a Change of Control or in the event the Participant dies or Separates from Service prior to the last day of a calendar year, as soon as practicable following such event, and in no event later than the date on which

Stock Units are distributed, the Company shall convert the amount of Dividend Equivalents previously credited to the Participant's Account during the calendar 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, as applicable.

(c) Phantom Units that are credited to the Plan and are to be paid pursuant to Section 3.3(b) or 3.3(c) shall continue to be held in the form of Phantom Units. Distribution Equivalents shall be credited to the Participant's Account with respect to Phantom Units when distributions are paid on Common Units, in an amount equal to the Distribution Equivalent associated with the Phantom Units held by the Participant on the record date for the distribution. On the last day of each calendar year, the amount of the Distribution Equivalents credited to the Participant's Account during that calendar year shall be converted to a number of Phantom Units, based on the Unit Value on the last day of that calendar year. In the event of an AmeriGas LTIP Change of Control or in the event the Participant dies or Separates from Service prior to the last day of a calendar year, as soon as practicable following such event, and in no event later than the date on which Phantom Units are distributed, the Company shall convert the amount of Distribution Equivalents previously credited to the Participant's Account during the calendar year to a number of Phantom Units based on the Unit Value on the date of such AmeriGas LTIP Change of Control, death or Separation from Service, as applicable.

7.2 Each Participant's Account shall be adjusted periodically to take into account the gains, losses and income returns of the deemed investments selected by the Participant or as otherwise provided under this Article 7. The Employer shall not be required to invest any funds in the forms of investment made available hereunder and, in any event, any such investments shall at all times remain the property of the Employer.

ARTICLE 8

Administration

8.1 Appointment and Tenure of Administrative Committee Members. The Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee. Any Administrative Committee member may resign by delivering his or her written resignation to the Compensation Committee. Vacancies arising by the death, resignation or removal of an Administrative Committee member may be filled by the Compensation Committee.

8.2 Meetings; Majority Rule. Any and all acts of the Administrative Committee taken at a meeting shall be by a majority of all members of the Administrative Committee. The Administrative Committee may act by vote taken in a meeting (at which a majority of members shall constitute a quorum). The Administrative Committee may also act by unanimous consent in writing without the formality of convening a meeting.

8.3Delegation. The Administrative Committee may, by majority decision, delegate to each or any one of its members, authority to sign any documents on its behalf, or to perform ministerial acts, but no person to whom such authority is delegated shall perform any act involving the exercise of any discretion without first obtaining the concurrence of a majority of the members of the Administrative Committee, even though such person alone may sign any document required by third parties. The Administrative Committee shall elect one of its members to serve as Chairperson. The Chairperson shall preside at all meetings of the Administrative Committee or shall delegate such responsibility to another Administrative Committee member. The Administrative Committee shall elect one person to serve as Secretary to the Administrative Committee. All third parties may rely on any communication signed by the Secretary, acting as such, as an official communication from the Administrative Committee.

8.4Authority and Responsibility of the Administrative Committee. The Administrative Committee shall have only such authority and responsibilities as are delegated to it by the Compensation Committee or specifically provided herein. The Administrative Committee shall have full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules and regulations for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Administrative Committee's authorities and responsibilities shall also include:

- (a) maintenance and preservation of records relating to Participants, former Participants, and their beneficiaries;
- (b) preparation and distribution to Participants of all information and notices required under Federal law or the provisions of the Plan;
- (c) preparation and filing of all governmental reports and other information required under law to be filed or published;
- (d) engagement of assistants and professional advisers;
- (e) arrangement for bonding, if required by law; and
- (f) promulgation of procedures for determination of claims for benefits.

8.5Compensation of Administrative Committee Members. The members of the Administrative Committee shall serve without compensation for their services as such, but all expenses of the Administrative Committee shall be paid or reimbursed by the Company.

8.6Administrative Committee Discretion. Any discretion, actions, or interpretations to be made under the Plan by the Administrative Committee shall be made in its sole

discretion, need not be uniformly applied to similarly situated individuals, and shall be final, binding, and conclusive on the parties. All benefits under the Plan shall be provided conditional upon the Participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Administrative Committee shall be final and binding on the Participant, his or her Beneficiaries and any other person having or claiming an interest under the Plan.

8.7Indemnification of the Administrative Committee. Each member of the Administrative Committee shall be indemnified by the Company against costs, expenses and liabilities (other than amounts paid in settlement to which the Company does not consent) reasonably incurred by him or her in connection with any action to which he or she may be a party by reason of his or her service as a member of the Administrative Committee, except in relation to matters as to which he or she shall be adjudged in such action to be personally guilty of gross negligence or willful misconduct in the performance of his or her duties. The foregoing right to indemnification shall be in addition to such other rights as the Administrative Committee member may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrative Committee member may be entitled pursuant to the by-laws of the Company. Service on the Administrative Committee shall be deemed in partial fulfillment of the Administrative Committee member's function as an employee, officer and/or director of the Company, if he or she serves in that capacity as well as in the role of Administrative Committee member

Article 9

Claims Procedure

9.01Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan (hereinafter referred to as "claimant"), or requesting information under the Plan shall present the request in writing to the Administrative Committee, which shall respond in writing or electronically. The notice advising of the denial shall be furnished to the claimant within 90 days of receipt of the benefit claim by the Administrative Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Administrative Committee shall provide notice of the extension prior to the termination of the 90 day period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim.

9.02Denial of Claim. If the claim or request is denied, the written or electronic notice of denial shall state:

- (a) The reasons for denial;
- (b) Reference to the specific Plan provisions on which the denial is based;
- (c) A description of any additional material or information required and an explanation of why it is necessary; and
- (d) An explanation of the Plan's claims review procedures and the time limits applicable to such procedures, including the right to bring a civil action under section 502(a) of ERISA.

9.03 Final Decision. The decision on review shall normally be made within 60 days after the Administrative Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing or in electronic form and shall:

- (a) State the specific reasons for the denial;
- (b) Reference the relevant Plan provisions;
- (c) State that the claimant is entitled to receive, upon request and free of charge, and have reasonable access to and copies of all documents, records and other information relevant to the claim for benefits; and
- (d) State that the claimant may bring an action under section 502(a) of ERISA.

All decisions on review shall be final and binding on all parties concerned.

9.04 Review of Claim. Any claimant whose claim or request is denied or who has not received a response within 60 days may request a review by notice given in writing or electronic form to the Administrative Committee. Such request must be made within 60 days after receipt by the claimant of the written or electronic notice of denial, or in the event the claimant has not received a response, 60 days after receipt by the Administrative Committee of the claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

ARTICLE 10

Amendment

10.1 The provisions of the Plan may be amended at any time and from time to time by the Compensation Committee for any reason without either the consent of or prior notice to any Participant; *provided, however*, that no such amendment shall serve to reduce the benefit that has been credited to an Account on behalf of a Participant as of the effective date of the amendment. 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.

ARTICLE 11

Termination

11.1 While it is the Company's intention to continue the Plan indefinitely in operation, the Compensation Committee may terminate the Plan in whole or in part at any time for any reason without either the consent of or prior notice to any Participant. No such termination shall reduce the benefit that has been credited to an Account on behalf of a Participant as of the effective date of the termination, but the Company may distribute all accrued benefits upon termination of the Plan in accordance with section 409A of the Code.

ARTICLE 12

Miscellaneous

12.1 Nonalienation of Benefits. None of the payments, benefits or rights of any Participant under the Plan shall 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. No Participant shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he or she may expect to receive, contingently or otherwise, under the Plan.

12.2 Compensation. Any amounts payable hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing benefits to which the Participant may be entitled under any other arrangement established by the Employer for the benefit of its employees.

- 12.3No Contract of Employment. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of the Company or any other participating employer hereunder, and all Participants and other Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.
- 12.4Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provision had not been included.
- 12.5Heirs, Assigns and Personal Representatives. The Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, present and future.
- 12.6Successors. Unless the Compensation Committee directs otherwise before a Change of Control, in the event of a Change of Control, the Company shall require any successor or successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company thereof, (i) to acknowledge expressly that this Plan is binding upon and enforceable against such successor in accordance with the terms hereof, (ii) to become jointly and severally obligated with the Company to perform the obligations under this Plan, and (iii) to agree not to amend or terminate the Plan for a period of three years after the date of succession without the consent of the affected Participant.
- 12.7Headings and Captions. The headings and captions herein are provided for reference and convenience only, and shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.
- 12.8Controlling Law. The Plan shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.
- 12.9Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company, the Board, the Compensation Committee, the Administrative Committee and all other parties with respect thereto.
- 12.10Reliance on Data and Consents. The Company, the Board, the Compensation Committee, the Administrative Committee and all other persons or entities associated with the operation of the Plan, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by the

Participant, including, without limitation, data with respect to age, health and marital status. Furthermore, the Company, the Board, the Compensation Committee and the Administrative Committee may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the operation of the Plan by any Participant, or the representatives of any such person without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the Plan or the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants to advise the appropriate parties of any change in such data.

12.11 Section 409A

(a) The Plan is intended to comply with the requirements of section 409A of the Code, and shall in all respects be administered in accordance with section 409A. Notwithstanding anything in the Plan to the contrary, distributions may only be made under the Plan upon an event and in a manner permitted by section 409A of the Code. To the extent that any provision of the Plan would cause a conflict with the requirements of section 409A of the Code, or would cause the administration of the Plan to fail to satisfy the requirements of section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall a Participant, directly or indirectly, designate the calendar year of payment, except as permitted by section 409A of the Code.

(b) If a Participant is subject to tax under the Federal Insurance Contribution Act (FICA) on his or her Account before distributions are to be made under the Plan, a distribution may be made under the Plan to pay the FICA tax imposed under section 3101 of the Code, section 3121(a) of the Code, and section 3121(v)(2) of the Code, or to pay the income tax at source on wages imposed under section 3401 of the Code or the corresponding withholding provisions of applicable state, local, or foreign tax laws as a result of the payment of the FICA amount, and to pay the additional income tax at source on wages attributable to the pyramiding section 3401 of the Code wages and taxes. The total payment made pursuant to this subsection must not exceed the aggregate FICA and related tax amount permitted under section 409A of the Code.

12.12 Stock Units Subject to Equity Plan Provisions. In addition to the provisions of this Plan, Stock Units shall be governed by the applicable Equity Plan, which is incorporated herein by reference. Stock Units shall be interpreted and administered in accordance with the Equity Plan, including provisions pertaining to (i) the registration, qualification or listing of the shares of Company common stock, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law.

12.13 Phantom Units Subject to 2010 AmeriGas LTIP Provisions. In addition to the provisions of this Plan, Phantom Units shall be governed by the 2010 AmeriGas LTIP which is incorporated herein by reference. Phantom Units shall be interpreted and

administered in accordance with the 2010 AmeriGas LTIP, including provisions pertaining to (i) the registration, qualification or listing of the Common Units, (ii) changes in capitalization of APLP and (iii) other requirements of applicable law.

Exhibit A

Distribution Election Form – UGI SERP Participants

**UGI Corporation
2009 Deferral Plan**

Distribution Election Form – UGI SERP Participants

Name _____

Address _____

Daytime Phone Number _____

Under the UGI Corporation 2009 Deferral Plan (the “Deferral Plan”), you may elect to have your accrued benefit in the UGI Corporation Supplemental Executive Retirement Plan (“UGI SERP”) at separation from service credited to the Deferral Plan upon your separation from service. If you wish to do this, you must also elect the time and form of payment of the account that will be established for you under the Deferral Plan. The alternative times and forms of payment are listed below.

You should review the Deferral Plan document for a complete description of how the Deferral Plan works. The capitalized terms used below are defined in the Deferral Plan. This election is subject to the terms and conditions of the Deferral Plan, which are incorporated herein by reference.

Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.

I. TIME AND FORM OF PAYMENT (After Separation from Service)

Note: You may check one form of payment for your entire UGI SERP benefit, or you may specify that your UGI SERP benefit will be paid in several forms of payment, by specifying whole percentages. If you specify several forms of payment, you should make sure that the percentages add up to 100%.

Upon Separation from Service, I elect to have my UGI SERP benefit distributed as follows:

A. Lump Sum Payment:

- ☐ Lump sum payment at my Separation from Service. (*Note: Under section 409A of the Internal Revenue Code, this payment will be made six months following your Separation from Service.*)

This election applies to _____% of my UGI SERP benefit.

B. Installment Payments:

- ☐ Payments in _____ (*Note: Fill in 2 to 10*) annual installments, commencing 14 months following my Separation from Service, and annually thereafter in the calendar year following the first payment and subsequent calendar years.

This election applies to _____% of my UGI SERP benefit.

C. One to Five Retirement Distribution Accounts:

- ☐ Retirement Distribution Account #1 – Lump sum payment 14 months following my Separation from Service. This election applies to _____% of my UGI SERP benefit.
- ☐ Retirement Distribution Account #2 – Lump sum payment in the first calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my UGI SERP benefit.
- ☐ Retirement Distribution Account #3 – Lump sum payment in the second calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my UGI SERP benefit.
- ☐ Retirement Distribution Account #4 – Lump sum payment in the third calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my UGI SERP benefit.
- ☐ Retirement Distribution Account #5 – Lump sum payment in the fourth calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my UGI SERP benefit.

Note: These elections are irrevocable. Under the Deferral Plan and section 409A of the Internal Revenue Code, you may make a Re-Deferral Election to postpone a payment, but not to accelerate a payment. Any Re-Deferral Election must be made at least one year before the scheduled payment date and must postpone payment for at least five years beyond the scheduled payment date. Re-Deferral Elections are subject to other restrictions described in the Deferral Plan.

II. BENEFICIARY DESIGNATION

Note: If you die before your Separation from Service, only your surviving spouse will receive a benefit under the UGI SERP. No other death benefits are provided under the UGI SERP in the event of death before Separation from Service.

If you die after Separation from Service but before your UGI SERP benefit has been completely distributed, your unpaid benefit will be payable to your designated Beneficiary. If you designate more than one Beneficiary, you should make sure that the percentages add up to 100%.

*Beneficiary Designation: I designate the following persons to be the Beneficiary of my UGI SERP benefit (including my account under the Deferral Plan) if I die after Separation from Service. If any designated Beneficiary is not living (or is not in existence) at my death, then that Beneficiary's share shall be allocated pro rata to the other surviving Beneficiaries. If no designated Beneficiary is living (or is in existence) at my death, then my Beneficiary shall be my estate. (*Note: If more than one Beneficiary is named, please indicate percentage to be paid to each.*)*

_____ %

Name	Street	
Relationship	City	
State	Zip	

Name Street _____ %

Relationship City _____

State Zip _____

Name Street _____ %

Relationship City _____

State Zip _____

The foregoing Beneficiary designation supersedes and replaces any previous Beneficiary designation that I may have made under the UGI SERP or the Deferral Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this election form, I understand that these elections are made in accordance with and are subject to the terms of the Deferral Plan. I understand and agree that the Deferral Plan's Administrative Committee shall have full power and express discretionary authority to interpret and administer the Deferral Plan and to make all determinations with respect to the Deferral Plan. All actions taken by the Deferral Plan's Administrative Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Deferral Plan.

Date Name _____

[To be completed by [_____]]

Filing Date

Date received by [_____]: _____, _____

Exhibit B

Distribution Election Form – AmeriGas SERP Participants

**UGI Corporation
2009 Deferral Plan**

Distribution Election Form – AmeriGas SERP Participants

Name _____

Address _____

Daytime Phone Number _____

Under the UGI Corporation 2009 Deferral Plan (the “Deferral Plan”), you may elect to have your accrued benefit in the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan (“AmeriGas SERP”) at separation from service credited to the Deferral Plan upon your separation from service. If you wish to do this, you must also elect the time and form of payment of the account that will be established for you under the Deferral Plan. The alternative times and forms of payment are listed below.

You should review the Deferral Plan document for a complete description of how the Deferral Plan works. The capitalized terms used below are defined in the Deferral Plan. This election is subject to the terms and conditions of the Deferral Plan, which are incorporated herein by reference.

NOTE: If you make an election with respect to your benefit in the AmeriGas SERP and you subsequently become eligible for the first time to participate in the 2009 UGI SERP, your election with respect to the AmeriGas SERP shall apply with respect to any benefits earned under both the AmeriGas SERP and the 2009 UGI SERP. In that event, all references below to the AmeriGas SERP shall be deemed to include the 2009 UGI SERP.

Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.

I. TIME AND FORM OF PAYMENT (After Separation from Service)

Note: You may check one form of payment for your entire AmeriGas SERP benefit, or you may specify that your AmeriGas SERP benefit will be paid in several forms of payment, by specifying whole percentages. If you specify several forms of payment, you should make sure that the percentages add up to 100%.

Upon Separation from Service, I elect to have my AmeriGas SERP benefit distributed as follows:

B. Lump Sum Payment:

- ☐ Lump sum payment at my Separation from Service. (*Note: Under section 409A of the Internal Revenue Code, this payment will be made six months following your Separation from Service.*)

This election applies to _____% of my AmeriGas SERP benefit.

B. Installment Payments:

- ☐ Payments in _____ (*Note: Fill in 2 to 10*) annual installments, commencing 14 months following my Separation from Service, and annually thereafter in the calendar year following the first payment and subsequent calendar years.

This election applies to _____% of my AmeriGas SERP benefit.

C. One to Five Retirement Distribution Accounts:

- ☐ Retirement Distribution Account #1 – Lump sum payment 14 months following my Separation from Service. This election applies to _____% of my AmeriGas SERP benefit.
- ☐ Retirement Distribution Account #2 – Lump sum payment in the first calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my AmeriGas SERP benefit.
- ☐ Retirement Distribution Account #3 – Lump sum payment in the second calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my AmeriGas SERP benefit.
- ☐ Retirement Distribution Account #4 – Lump sum payment in the third calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my AmeriGas SERP benefit.
- ☐ Retirement Distribution Account #5 – Lump sum payment in the fourth calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my AmeriGas SERP benefit.

Note: *These elections are irrevocable. Under the Deferral Plan and section 409A of the Internal Revenue Code, you may make a Re-Deferral Election to postpone a payment, but not to accelerate a payment. Any Re-Deferral Election must be made at least one year before the scheduled payment date and must postpone payment for at least five years beyond the scheduled payment date. Re-Deferral Elections are subject to other restrictions described in the Deferral Plan.*

II. BENEFICIARY DESIGNATION

If you die before receiving your entire AmeriGas SERP benefit, your benefit under the AmeriGas SERP will be payable to your designated Beneficiary. If you designate more than one Beneficiary, you should make sure that the percentages add up to 100%.

Beneficiary Designation: I designate the following persons to be the Beneficiary of my AmeriGas SERP benefit (including my account under the Deferral Plan) if I die before or after Separation from Service. If any designated Beneficiary is not living (or is not in existence) at my death, then that Beneficiary's share shall be allocated pro rata to the other surviving Beneficiaries. If no designated beneficiary is living (or in existence) at my death, then my Beneficiary shall be my estate. (*Note: If more than one Beneficiary is named, please indicate percentage to be paid to each.*)

Name Street _____ %

Relationship	City		
<hr/>			
State	Zip		
<hr/>			
Name	Street		%
<hr/>			
Relationship	City		
<hr/>			
State	Zip		
<hr/>			
Name	Street		%
<hr/>			
Relationship	City		
<hr/>			
State	Zip		
<hr/>			

The foregoing Beneficiary designation supersedes and replaces any previous Beneficiary designation that I may have made under the AmeriGas SERP or the Deferral Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this election form, I understand that these elections are made in accordance with and are subject to the terms of the Deferral Plan. I understand and agree that the Deferral Plan's Administrative Committee shall have full power and express discretionary authority to interpret and administer the Deferral Plan and to make all determinations with respect to the Deferral Plan. All actions taken by the Deferral Plan's Administrative Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Deferral Plan.

Date	Name	
<hr/>		
[To be completed by []]		
[To be completed by []]		

Filing Date

Date received by []: [], []

Exhibit C

Distribution Election Form – Non-Employee Directors

**UGI Corporation
2009 Deferral Plan**

Distribution Election Form – UGI Non-Employee Directors

Name _____

Address _____

Daytime Phone Number _____

Under the UGI Corporation 2009 Deferral Plan (the “Deferral Plan”), you may elect to have your outstanding Stock Units at separation from service credited to the Deferral Plan upon your separation from service. If you wish to do this, you must also elect the time and form of payment of the account that will be established for you under the Deferral Plan. The alternative times and forms of payment are listed below.

You should review the Deferral Plan document for a complete description of how the Deferral Plan works. The capitalized terms used below are defined in the Deferral Plan. This election is subject to the terms and conditions of the Deferral Plan, which are incorporated herein by reference.

Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.

I. TIME AND FORM OF PAYMENT (After Separation from Service)

Note: You may check one form of payment for all of your Stock Units, or you may specify that your Stock Units be paid in several forms of payment, by specifying whole percentages. If you specify several forms of payment, you should make sure that the percentages add up to 100%.

Upon Separation from Service, I elect to have my Stock Units distributed as follows:

C. Lump Sum Payment:

☐ Lump sum payment at my Separation from Service.

This election applies to _____% of my Stock Units.

B. Installment Payments:

☐ Payments in _____ (*Note: Fill in 2 to 10*) annual installments, commencing 14 months following my Separation from Service, and annually thereafter in the calendar year following the first payment and subsequent calendar years.

This election applies to _____% of my Stock Units.

C. One to Five Retirement Distribution Accounts:

- ☐ Retirement Distribution Account #1 – Lump sum payment 14 months following my Separation from Service. This election applies to _____% of my Stock Units.
- ☐ Retirement Distribution Account #2 – Lump sum payment in the first calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Stock Units.
- ☐ Retirement Distribution Account #3 – Lump sum payment in the second calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Stock Units.
- ☐ Retirement Distribution Account #4 – Lump sum payment in the third calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Stock Units.
- ☐ Retirement Distribution Account #5 – Lump sum payment in the fourth calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Stock Units.

Note: *These elections are irrevocable. Under the Deferral Plan and section 409A of the Internal Revenue Code, you may make a Re-Deferral Election to postpone a payment, but not to accelerate a payment. Any Re-Deferral Election must be made at least one year before the scheduled payment date and must postpone payment for at least five years beyond the scheduled payment date. Re-Deferral Elections are subject to other restrictions described in the Deferral Plan.*

II. BENEFICIARY DESIGNATION

If you die before payment of all your Stock Units, your Stock Units will be payable to your designated Beneficiary, notwithstanding any provision of your Stock Unit agreement to the contrary. If you designate more than one Beneficiary, you should make sure that the percentages add up to 100%.

Beneficiary Designation: I designate the following persons to be the Beneficiary under the Deferral Plan if I die before or after Separation from Service. If any designated Beneficiary is not living (or is not in existence) at my death, then that Beneficiary's share shall be allocated pro rata to the other surviving Beneficiaries. If no designated Beneficiary is living (or in existence) at my death, then my Beneficiary shall be my estate. (**Note:** *If more than one Beneficiary is named, please indicate percentage to be paid to each.*)

_____	_____	_____	_____%
Name	Street		
_____	_____	_____	
Relationship	City		
_____	_____	_____	
State	Zip		

Name Street _____ %

Relationship City _____

State Zip _____

Name Street _____ %

Relationship City _____

State Zip _____

The foregoing Beneficiary designation supersedes and replaces any previous Beneficiary designation that I may have made with respect to the Stock Units under the Deferral Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this election form, I understand that these elections are made in accordance with and are subject to the terms of the Deferral Plan. I understand and agree that the Deferral Plan's Administrative Committee shall have full power and express discretionary authority to interpret and administer the Deferral Plan and to make all determinations with respect to the Deferral Plan. All actions taken by the Deferral Plan's Administrative Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Deferral Plan.

Date Name _____

[To be completed by [_____]]

Filing Date

Date received by [_____]: _____, _____

Exhibit D

Distribution Election Form – 2009 UGI SERP Participants

**UGI Corporation
2009 Deferral Plan**

Distribution Election Form – 2009 UGI SERP Participants

Name _____

Address _____

Daytime Phone Number _____

Under the UGI Corporation 2009 Deferral Plan (the “Deferral Plan”), you may elect to have your accrued benefit in the UGI Corporation 2009 Supplemental Executive Retirement Plan (“2009 UGI SERP”) at separation from service credited to the Deferral Plan upon your separation from service. If you wish to do this, you must also elect the time and form of payment of the account that will be established for you under the Deferral Plan. The alternative times and forms of payment are listed below.

You should review the Deferral Plan document for a complete description of how the Deferral Plan works. The capitalized terms used below are defined in the Deferral Plan. This election is subject to the terms and conditions of the Deferral Plan, which are incorporated herein by reference.

NOTE: If you make an election with respect to your benefit in the 2009 UGI SERP and you subsequently become eligible for the first time to participate in the AmeriGas SERP, your election with respect to the 2009 UGI SERP shall apply with respect to any benefits earned under both the AmeriGas SERP and the 2009 UGI SERP. In that event, all references below to the 2009 UGI SERP shall be deemed to include the AmeriGas SERP.

Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.

I. TIME AND FORM OF PAYMENT (After Separation from Service)

Note: You may check one form of payment for your entire 2009 UGI SERP benefit, or you may specify that your 2009 UGI SERP benefit will be paid in several forms of payment, by specifying whole percentages. If you specify several forms of payment, you should make sure that the percentages add up to 100%.

Upon Separation from Service, I elect to have my 2009 UGI SERP benefit distributed as follows:

D. Lump Sum Payment:

- ☐ Lump sum payment at my Separation from Service. (*Note: Under section 409A of the Internal Revenue Code, this payment will be made six months following your Separation from Service.*)

This election applies to _____% of my 2009 UGI SERP benefit.

B. Installment Payments:

- ☐ Payments in _____ (*Note: Fill in 2 to 10*) annual installments, commencing 14 months following my Separation from Service, and annually thereafter in the calendar year following the first payment and subsequent calendar years.

This election applies to _____% of my 2009 UGI SERP benefit.

C. One to Five Retirement Distribution Accounts:

- ☐ Retirement Distribution Account #1 – Lump sum payment 14 months following my Separation from Service. This election applies to _____% of my 2009 UGI SERP benefit.
- ☐ Retirement Distribution Account #2 – Lump sum payment in the first calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my 2009 UGI SERP benefit.
- ☐ Retirement Distribution Account #3 – Lump sum payment in the second calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my 2009 UGI SERP benefit.
- ☐ Retirement Distribution Account #4 – Lump sum payment in the third calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my 2009 UGI SERP benefit.
- ☐ Retirement Distribution Account #5 – Lump sum payment in the fourth calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my 2009 UGI SERP benefit.

Note: *These elections are irrevocable. Under the Deferral Plan and section 409A of the Internal Revenue Code, you may make a Re-Deferral Election to postpone a payment, but not to accelerate a payment. Any Re-Deferral Election must be made at least one year before the scheduled payment date and must postpone payment for at least five years beyond the scheduled payment date. Re-Deferral Elections are subject to other restrictions described in the Deferral Plan.*

II. BENEFICIARY DESIGNATION

If you die before receiving your entire 2009 UGI SERP benefit, your benefit under the 2009 UGI SERP will be payable to your designated Beneficiary. If you designate more than one Beneficiary, you should make sure that the percentages add up to 100%.

Beneficiary Designation: I designate the following persons to be the Beneficiary of my 2009 UGI SERP benefit (including my account under the Deferral Plan) if I die after Separation from Service. If any designated Beneficiary is not living (or is not in existence) at my death, then that Beneficiary's share shall be allocated pro rata to the other surviving Beneficiaries. If no designated Beneficiary is living (or is in existence) at my death, then my Beneficiary shall be my estate. (*Note: If more than one Beneficiary is named, please indicate percentage to be paid to each.*)

_____ %

Name _____ Street _____

Relationship _____ City _____

State _____ Zip _____

Name _____ Street _____ %

Relationship _____ City _____

State _____ Zip _____

Name _____ Street _____ %

Relationship _____ City _____

State _____ Zip _____

The foregoing Beneficiary designation supersedes and replaces any previous Beneficiary designation that I may have made under the 2009 UGI SERP or the Deferral Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this election form, I understand that these elections are made in accordance with and are subject to the terms of the Deferral Plan. I understand and agree that the Deferral Plan's Administrative Committee shall have full power and express discretionary authority to interpret and administer the Deferral Plan and to make all determinations with respect to the Deferral Plan. All actions taken by the Deferral Plan's Administrative Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Deferral Plan.

Date _____ Name _____

[To be completed by [_____]]

Filing Date

Date received by [_____]: _____, _____

Exhibit E

Distribution Election Form – AmeriGas Non-Employee Directors

**UGI Corporation
2009 Deferral Plan**

Distribution Election Form – AmeriGas Non-Employee Directors

Name _____

Address _____

Daytime Phone Number _____

Under the UGI Corporation 2009 Deferral Plan (the “Deferral Plan”), you may elect to have your outstanding phantom units under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. (“Phantom Units”) at separation from service credited to the Deferral Plan upon your separation from service. If you wish to do this, you must also elect the time and form of payment of the account that will be established for you under the Deferral Plan. The alternative times and forms of payment are listed below.

You should review the Deferral Plan document for a complete description of how the Deferral Plan works. The capitalized terms used below are defined in the Deferral Plan. This election is subject to the terms and conditions of the Deferral Plan, which are incorporated herein by reference.

Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.

I. TIME AND FORM OF PAYMENT (After Separation from Service)

Note: You may check one form of payment for all of your Phantom Units, or you may specify that your Phantom Units will be paid in several forms of payment, by specifying whole percentages. If you specify several forms of payment, you should make sure that the percentages add up to 100%.

Upon Separation from Service, I elect to have my Phantom Units distributed as follows:

A. Lump Sum Payment:

☐ Lump sum payment at my Separation from Service.

This election applies to _____% of my Phantom Units.

B. Installment Payments:

☐ Payments in _____ (*Note: Fill in 2 to 10*) annual installments, commencing 14 months following my Separation from Service, and annually thereafter in the calendar year following the first payment and subsequent calendar years.

This election applies to _____% of my Phantom Units.

C. One to Five Retirement Distribution Accounts:

- ☐ Retirement Distribution Account #1 – Lump sum payment 14 months following my Separation from Service. This election applies to _____% of my Phantom Units.
- ☐ Retirement Distribution Account #2 – Lump sum payment in the first calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Phantom Units.
- ☐ Retirement Distribution Account #3 – Lump sum payment in the second calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Phantom Units.
- ☐ Retirement Distribution Account #4 – Lump sum payment in the third calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Phantom Units.
- ☐ Retirement Distribution Account #5 – Lump sum payment in the fourth calendar year following payment of Retirement Distribution Account #1. This election applies to _____% of my Phantom Units.

Note: *These elections are irrevocable. Under the Deferral Plan and section 409A of the Internal Revenue Code, you may make a Re-Deferral Election to postpone a payment, but not to accelerate a payment. Any Re-Deferral Election must be made at least one year before the scheduled payment date and must postpone payment for at least five years beyond the scheduled payment date. Re-Deferral Elections are subject to other restrictions described in the Deferral Plan.*

II. BENEFICIARY DESIGNATION

If you die before payment of all your Phantom Units, your Phantom Units will be payable to your designated Beneficiary. If you designate more than one Beneficiary, you should make sure that the percentages add up to 100%.

Beneficiary Designation: I designate the following persons to be the Beneficiary under the Deferral Plan if I die before or after Separation from Service. If any designated Beneficiary is not living (or is not in existence) at my death, then that Beneficiary's share shall be allocated pro rata to the other surviving Beneficiaries. If no designated beneficiary is living (or in existence) at my death, then my Beneficiary shall be my estate. (Note: *If more than one Beneficiary is named, please indicate percentage to be paid to each.*)

_____	_____	_____	_____ %
Name	Street		
_____	_____	_____	
Relationship	City		
_____	_____	_____	
State	Zip		

Name Street _____ %

Relationship City _____

State Zip _____

Name Street _____ %

Relationship City _____

State Zip _____

The foregoing Beneficiary designation supersedes and replaces any previous Beneficiary designation that I may have made with respect to the Phantom Units under the Deferral Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this election form, I understand that these elections are made in accordance with and are subject to the terms of the Deferral Plan. I understand and agree that the Deferral Plan's Administrative Committee shall have full power and express discretionary authority to interpret and administer the Deferral Plan and to make all determinations with respect to the Deferral Plan. All actions taken by the Deferral Plan's Administrative Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Deferral Plan.

Date Name _____

To be completed by [_____]

Filing Date

Date received by [_____]: _____, _____

UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
NONQUALIFIED STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated as of January 8, 2014 (the “Date of Grant”), is delivered by UGI Corporation (“UGI”) to _____ (the “Participant”).

RECITALS

The UGI Corporation 2004 Omnibus Equity Compensation Plan, as amended (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 8,500 shares of common stock of UGI (“Shares”) at an exercise price of \$40.79 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 January 7, 2024), 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 Paragraph 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.

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 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.

11. 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 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

By: _____
Name: 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
PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant 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 7).

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 7) through December 31, 2016. The Performance Period is the period beginning January 1, 2014 and ending December 31, 2016. 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, 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</u> <u>(Percentile)</u>
90th	200%	
75th	162.5%	
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, 2013) and the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, 2016), 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, 2016 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, 2016, 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 7), Disability (as defined in Section 7) 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, 2017 and March 15, 2017, 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, 2016, 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 (as defined in the Plan) 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.

(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, 2016, the Change of Control Amount shall be paid in cash between January 1, 2017 and March 15, 2017.

(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, 2016, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 13 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, 2016, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 13 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, 2017 and March 15, 2017, 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 13 below.

7. 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 15, 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) misappropriation of

funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

8. 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.

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 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.

10. 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.

11. 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.

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. 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.

13. 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, 2017 and March 15, 2017, and not upon the earlier separation from service, if required by section 409A.

14. 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.

15. 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.

16. 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 1/1/2014

AES Corp (AES)	MDU Resource Group Inc (MDU)
AGL Resources, Inc (GAS)	National Fuel Gas Co (NFG)
Alliant Energy Corp (LNT)	NiSource Inc (NI)
Ameren Corp (AEE)	Northeast Utilities (NU)
American Water Works Co Inc (AWK)	NRG Energy Inc (NRG)
Aqua America Inc (WTR)	OGE Energy Corp (OGE)
Atmos Energy Corp (ATO)	ONEOK Inc (OKE)
Calpine Corp (CPN)	Pepco Holdings Inc (POM)
Centerpoint Energy Inc (CNP)	Pinnacle West Capital Corp (PNW)
CMS Energy Corp (CMS)	PPL Corp (PPL)
Consolidated Edison Inc (ED)	Public Service Enterprise Group I (PEG)
DTE Energy Co (DTE)	Questar Corp (STR)
Edison International (EIX)	SCANA Corp (SCG)
Energen Corp (EGN)	Sempra Energy (SRE)
Entergy Corp (ETR)	TECO Energy Inc (TE)
First Energy Corp (FE)	UGI Corp (UGI)
Great Plains Energy Inc (GXP)	Vectren Corp (VVC)
Hawaiian Electric Industries Inc (HE)	Westar Energy, Inc (WR)
Integrys Energy Group Inc (TEG)	Wisconsin Energy Corp (WEC)
ITC Holdings Corp (ITC)	XCEL Energy Inc (XEL)

UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
STOCK UNIT GRANT LETTER

This STOCK UNIT GRANT LETTER is dated as of January 8, 2014 (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 2,800 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 Agreement is intended to comply with the requirements of section 409A of the Code. For purposes of section 409A, each payment of compensation under this Agreement shall be treated as a separate payment.

11. 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.

12. 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 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

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

This STOCK OPTION GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant 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 \$41.46 per Share. The Option shall become exercisable according to Paragraph 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, 2015	33⅓%
January 1, 2016	33⅓%
January 1, 2017	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, 2023), 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, 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. The Option will terminate upon the expiration date of the Option.

(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 Paragraphs 2 and 3 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 13 below. 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. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) "*Change of Control*" shall have the meaning given that term in the Plan.

(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 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 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 13, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

* * *

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

This STOCK OPTION GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant 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 \$41.46 per Share. The Option shall become exercisable according to Paragraph 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, 2015	33⅓%
January 1, 2016	33⅓%
January 1, 2017	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, 2023), 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, 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. The Option will terminate upon the expiration date of the Option.

(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 Paragraphs 2 and 3 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 13 below. 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. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) "*Change of Control*" shall (i) have the meaning given that term in the Plan, or (ii) mean one of the events set forth in Exhibit A with respect to AmeriGas Propane, Inc.

(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 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 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 13, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of

duties, (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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

EXHIBIT A

Change of Control with Respect to AmeriGas

For Participants who are employees of AmeriGas, or a subsidiary of AmeriGas, the term "Change of Control" shall include the events set forth in this Exhibit A with respect to AmeriGas, and the defined terms used in this Exhibit A shall have the following meanings:

1. "Change of Control" shall include any of the following events:

(A) Completion by AmeriGas, the Public Partnership or the Operating Partnership 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.

2. "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; provided, however, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

4. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

5. "Operating Partnership" shall mean AmeriGas Propane, L.P.

6. "Public Partnership" shall mean AmeriGas Partners, L.P.

7. "Person" shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

8. "UGI Subsidiary" shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

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

This STOCK OPTION GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant 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 \$41.46 per Share. The Option shall become exercisable according to Paragraph 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, 2015	33⅓%
January 1, 2016	33⅓%
January 1, 2017	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, 2023), 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, 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. The Option will terminate upon the expiration date of the Option.

(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 Paragraphs 2 and 3 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 13 below. 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. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) “*Change of Control*” shall (i) have the meaning given that term in the Plan, or (ii) mean one of the events set forth on Exhibit A with respect to UGI Utilities, Inc.

(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 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 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 13, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

* * *

EXHIBIT A

Change of Control with Respect to Utilities

For Participants who are employees of Utilities, or a subsidiary of Utilities, the term “Change of Control” shall include the events set forth in this Exhibit A with respect to Utilities, and the defined terms set forth used in this Exhibit A, if not defined in the Plan, shall have the following meanings:

1. “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 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 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.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; provided, however, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

4. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

5. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

6. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant 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 7).

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 7) through December 31, 2016. The Performance Period is the period beginning January 1, 2014 and ending December 31, 2016. 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, 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	162.5%
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, 2013) and the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, 2016), 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, 2016 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, 2016, 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 7), Disability (as defined in Section 7) 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, 2017 and March 15, 2017, 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, 2016, 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. For Participants who are employees of UGI Utilities, Inc. ("Utilities") or a subsidiary of Utilities, the term "Change of Control" shall mean (i) a Change of Control of UGI as defined in the Plan, or (ii) one of the events set forth on Exhibit B with respect to Utilities.

(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, 2016, the Change of Control Amount shall be paid in cash between January 1, 2017 and March 15, 2017.

(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, 2016, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 13 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, 2016, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 13 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, 2017 and March 15, 2017, 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 13 below.

7. 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 15, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

8. 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.

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 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.

10. 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.

11. 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.

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. 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.

13. 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, 2017 and March 15, 2017, and not upon the earlier separation from service, if required by section 409A.

14. 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.

15. 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.

16. 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 1/1/2014

AES Corp (AES)	MDU Resource Group Inc
AGL Resources, Inc (GAS)	(MDU)
Alliant Energy Corp (LNT)	National Fuel Gas Co (NFG)
Ameren Corp (AEE)	NiSource Inc (NI)
American Water Works Co Inc	Northeast Utilities (NU)
(AWK)	NRG Energy Inc (NRG)
Aqua America Inc (WTR)	OGE Energy Corp (OGE)
Atmos Energy Corp (ATO)	ONEOK Inc (OKE)
Calpine Corp (CPN)	Pepco Holdings Inc (POM)
Centerpoint Energy Inc (CNP)	Pinnacle West Capital Corp
CMS Energy Corp (CMS)	(PNW)
Consolidated Edison Inc (ED)	PPL Corp (PPL)
DTE Energy Co (DTE)	Public Service Enterprise Group
Edison International (EIX)	I (PEG)
Energen Corp (EGN)	Questar Corp (STR)
Entergy Corp (ETR)	SCANA Corp (SCG)
First Energy Corp (FE)	Sempra Energy (SRE)
Great Plains Energy Inc (GXP)	TECO Energy Inc (TE)
Hawaiian Electric Industries Inc	UGI Corp (UGI)
(HE)	Vectren Corp (VVC)
Integrus Energy Group Inc	Westar Energy, Inc (WR)
(TEG)	Wisconsin Energy Corp (WEC)
ITC Holdings Corp (ITC)	XCEL Energy Inc (XEL)

EXHIBIT B

Change of Control with Respect to Utilities

For Participants who are employees of Utilities, or a subsidiary of Utilities, the term “Change of Control” shall include the events set forth in this Exhibit A with respect to Utilities, and the defined terms set forth used in this Exhibit B, if not defined in the Plan, shall have the following meanings:

1. “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 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 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.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; provided, however, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

4. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

5. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

6. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
AMENDED AND RESTATED NONQUALIFIED STOCK OPTION GRANT LETTER

This AMENDED AND RESTATED NONQUALIFIED STOCK OPTION GRANT LETTER, dated February 24, 2014 (the “Effective Date”), is delivered by UGI Corporation (“UGI”) to R. Paul Grady (the “Participant”).

RECITALS

WHEREAS, the UGI Corporation 2004 Omnibus Equity Compensation Plan, as amended (the “Plan”), provides for the grant of options to purchase shares of common stock of UGI;

WHEREAS, the Compensation and Management Development Committee of the Board of Directors of UGI (the “Committee”) decided to make a stock option grant to the Participant on the terms described in a grant letter dated January 1, 2013 (the “Date of Grant”) between the Participant and the Company (the “Prior Grant Letter”); and

WHEREAS, the Company and the Participant hereby agree to amend and restate the Prior Grant Letter as set forth herein.

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 granted to the Participant on the Date of Grant a nonqualified stock option (the “Option”) to purchase 28,000 shares of common stock of UGI (“Shares”) at an exercise price of \$32.71 per Share. The Option shall become exercisable according to Paragraph 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, 2014	33⅓%
January 1, 2015	33⅓%
January 1, 2016	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, 2022), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) Except as provided below, 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.

(c) 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, if applicable:

(i) *Termination Without Cause*. If the Participant terminates employment or service on account of a Termination without Cause, on or after January 1, 2015, 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 January 1, 2015, 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. The Option will terminate upon the expiration date of the Option.

(iii) *Disability*. If the Participant ceases to be employed by, or provide service to, the Company on account of Disability, on or after January 1, 2015, 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, on or after January 1, 2015, 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 Paragraphs 2 and 3 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 13 below. 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. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) "*Change of Control*" shall (i) have the meaning given that term in the Plan, or (ii) mean one of the events set forth in Exhibit A with respect to AmeriGas Propane, Inc.

(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 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 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 13, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

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 Effective Date.

UGI Corporation

Attest

By:_____

I hereby acknowledge receipt of the Plan. I agree to be bound by the terms of the Plan and this Grant Letter. I agree that this Grant Letter amends and restates the Prior Grant Letter. I hereby further agree that all the decisions and determinations of the Committee shall be final and binding on me and any other person having or claiming a right under this grant.

Participant _____

EXHIBIT A

Change of Control with Respect to AmeriGas

For Participants who are employees of AmeriGas, or a subsidiary of AmeriGas, the term “Change of Control” shall include the events set forth in this Exhibit A with respect to AmeriGas, and the defined terms used in this Exhibit A shall have the following meanings:

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

(A) Completion by AmeriGas, the Public Partnership or the Operating Partnership 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.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; provided, however, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

4. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

5. “Operating Partnership” shall mean AmeriGas Propane, L.P.
6. “Public Partnership” shall mean AmeriGas Partners, L.P.
7. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.
8. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

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

This STOCK OPTION GRANT, dated January 1, 2014 (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 “My Awards” tab for the Participant in the Morgan Stanley website for Plan participants (the “Grant Summary”) sets forth the number of stock options 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 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 \$41.46 per Share. The Option shall become exercisable according to Paragraph 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, 2015	33⅓%
January 1, 2016	33⅓%
January 1, 2017	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, 2023), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) Except as provided below, 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.

(c) 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, if applicable:

(i) *Termination Without Cause.* If the Participant terminates employment or service on account of a Termination without Cause, on or after January 1, 2015, 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 January 1, 2015, 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. The Option will terminate upon the expiration date of the Option.

(iii) *Disability.* If the Participant ceases to be employed by, or provide service to, the Company on account of Disability, on or after January 1, 2015, 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, on or after January 1, 2015, 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 Paragraphs 2 and 3 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 13 below. 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. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) “*Change of Control*” shall (i) have the meaning given that term in the Plan, or (ii) mean one of the events set forth in Exhibit A with respect to AmeriGas Propane, Inc.

(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 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 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 13, 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) misappropriation of funds, (ii) habitual insobriety or substance abuse adversely affecting the performance of duties, (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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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 Option 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

Change of Control with Respect to AmeriGas

For Participants who are employees of AmeriGas, or a subsidiary of AmeriGas, the term “Change of Control” shall include the events set forth in this Exhibit A with respect to AmeriGas, and the defined terms used in this Exhibit A shall have the following meanings:

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

(A) Completion by AmeriGas, the Public Partnership or the Operating Partnership 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.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. 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 the General Rules and Regulations 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 General Rules and Regulations 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 securities; provided, however, that nothing in this Section 1(c) 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 forty (40) days after the date of such acquisition.

4. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.
5. “Operating Partnership” shall mean AmeriGas Propane, L.P.
6. “Public Partnership” shall mean AmeriGas Partners, L.P.
7. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.
8. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

CERTIFICATION

I, John L. Walsh, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(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 9, 2014

/s/ John L. Walsh

John L. Walsh
President and Chief Executive Officer of
UGI Corporation

CERTIFICATION

I, Kirk R. Oliver, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(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 9, 2014

/s/ Kirk R. Oliver

Kirk R. Oliver

Chief Financial Officer of UGI Corporation

**Certification by the Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements**

I, John L. Walsh, Chief Executive Officer, and I, Kirk R. Oliver, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the “Company”), hereby certify that to our knowledge:

- (1) The Company’s periodic report on Form 10-Q for the period ended March 31, 2014 (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

/s/ John L. Walsh

John L. Walsh

Date: May 9, 2014

CHIEF FINANCIAL OFFICER

/s/ Kirk R. Oliver

Kirk R. Oliver

Date: May 9, 2014