



UGI UTILITIES, INC.
FY 2018
MANAGEMENT INCENTIVE PLAN





Introduction

We are pleased to provide details about the UGI Utilities, Inc. Management Incentive Plan. The FY 2018 Management Incentive Plan is designed to better align and reward all of our efforts to profitably grow our Company while we safely and reliably deliver energy to our customers and to the many communities we serve.

The goal of the plan is to reward performance in five areas that are within the control or influence of employees:

- Financial Performance
- Safety
- Customer Satisfaction
- Business Growth
- Replacement & Betterment Program

Details about the plan are included in this document. If you have any questions or concerns, please send an email to Compensation@ugi.com.

Our Company succeeds when everyone works together as a team to achieve desired business results. And when those results are created, everyone is eligible to participate in the sharing of that success. Thank you for your continuing efforts and hard work on behalf of our Company, and for your focus on making UGI the best Company it can be.



FY 2018 Management Incentive Plan Design

What is Variable Pay?

Variable pay is the portion of your total compensation “at risk” based on achievement of established Company goals – financial, safety, customer satisfaction, business growth, and replacement & betterment.

Who is eligible for the Plan?

You are eligible for the 2018 Utilities Management Incentive Plan if you:

- are a UGI Utilities full-time regular employee in Ladder/Level M2 to M5 or P3 to P5
- are an external new hire or rehire who started with UGI Utilities prior to 04/01/2018
- received a summary performance rating of *Met*, *Exceeded Some* or *Exceeded Objectives* for your most recent review

The incentive payout will be prorated based on the percentage of time worked during the fiscal year if you:

- are hired between 10/01/2017 and 03/31/2018, and/or
- transitioned to a position in pay level M2 to M5 or P3 to P5 with UGI Utilities by 08/31/2018 (due to transfer/promotion within UGI Utilities or transfer from another business unit), and/or
- were in a no pay status for ≥ 60 consecutive calendar days for a non-FML/non-military related leave, and/or
- had service of at least 1 full calendar month and separated from UGI Utilities due to position elimination, retirement, death, or transfer to another UGI Corporation business unit (*any earned incentive is based upon plan achievement percent payout and your most recent base pay rate in effect with UGI Utilities; payout, if any, will be made in 12/2018*)

You are not eligible for the incentive, if you:

- voluntarily separate from the business or are terminated for cause prior to the payout date
- received a summary performance rating of *Met Some* or *Did Not Meet Objectives* for your most recent review

If you are not actively at work at the time of the incentive payout, you will receive the incentive payment when you return to work. If a performance

review date/cycle was missed as a result of this absence, the payment will be processed after your supervisor conducts the performance discussion with you. In the event that you do not return to work, the incentive payment will be processed upon final determination of your status (e.g., LTD claim approved, LTD claim denied/employment terminated, death, etc.)

How does the Plan activate?

At least **80%** of the FY 2018 net income budget of \$128.6 million must be achieved in order to activate the bonus plan. This trigger is used to ensure that any potential incentive payouts under this Plan are aligned with the overall success of the Company.

The incentive will be leveraged based on percent of net income achieved as shown below:

% of Net Income	Net Income Amount (million)	% of Payout
80%	\$102.88	50%
100%	\$128.60	100%
125%	\$160.75	150%

Linear interpolation is used to calculate the % of Payout based on the % of Net Income. For example, if % of Net Income is 90%, the % of Payout is 75%.

How does the incentive pay out?

The target incentive payout is a percentage of your base rate of pay in effect on the close of the fiscal year (09/30/2018) as outlined in chart below:

Target Incentive %	Ladder/Level
5.0%	M2 & P3
7.5%	M3 & P4
10.0%	M4 & P5
20.0%	M5

What is the Implementation Schedule?

The plan begins 10/01/2017 for FY 2018 and the payout, if any, will be made in 12/2018. The plan will be reviewed annually to ensure that the incentive philosophy and overall program are operating fairly and efficiently and in accordance with the Company's goals. The President and CEO of UGI Utilities, Inc. has the authority to change the plan at any time. This includes, but is not limited to, changing goals, percent payout, and termination of the plan.

What are the goals of the plan?

The Plan is designed to reward performance in five areas that you have influence and/or control over:

- Financial Performance
- Safety (Employee/Public)
- Customer Satisfaction
- Business Growth
- Replacement & Betterment Program

While one-time events can impact our business, any modifications or adjustments to this Plan must be approved by the President and CEO of UGI Utilities, Inc. See below for descriptions of how each plan component is weighted and measured.

Note: None of the payout percentages will be leveraged.

FY 2018 Target % of Payout					
Weight	Plan Components	Description	50%	100%	150%
40%	Safety				
	Employee Safety	5%: Conduct and document OSHA VPP monthly facility assessments beginning January 1, 2018 for each location.	33 locations	35 locations	37 locations
		5%: Provide necessary improvements as documented through the initial VPP facility assessments to make locations ready to apply for and be capable of passing a facility VPP inspections by OSHA	5 locations	8 locations	10 locations
		10%: Preventable Motor Vehicle Accident Rate compared to AGA Peer Group	AGA Median 2.26	AGA Quartile 1.88	AGA top 10% 1.63
	Public Safety & Reliability	7.5%: Emergency Response Rate	97%	97.8%	98.7%
		7.5%: Total Damage Rate	2.1	1.8	1.5
5.0%: Reliability Index Values: SAIDI / SAIFI / CAIDI		140/.83/169	114/.65/149	103/.50/139	
20%	Customer Satisfaction				
	J.D. Power Customer Satisfaction	10%: JD Power survey score and related award	Score > 724 and JD Power #2	Score > 739 and JD Power #2	JD Power #1
	Grade of Service	10%: Percentage of customer calls answered within 30 seconds	76%	80%	84%
20%	Business Growth				
	New Accounts	5.0%: Total new residential heating accounts	11,078	13,848	16,618
		10%: Total new commercial heating accounts	1,718	2,148	2,578
	Customer Margin	5.0%: Contract customer margin without Invenergy (in thousands)	\$1,090.2	\$1,362.8	\$1,635.4
20%	Replacement & Betterment Program				
	Performance/Spend to Gas Infrastructure Improvement Plan Budget measured by Gas Capital Expenditures (\$Millions) FY 2018 budget for this incentive component is \$167.3 M <i>(Minimum of 64 miles of replacement is required to qualify for the incentive for this metric; Uniondale-Scranton reinforcement budget and related spend is excluded)</i>		\$12.5 M (~7.5%) below budget Spend of \$154.8 M	\$8.4 M (~5%) below budget Spend of \$158.9 M	+/- \$4.2 M (~2.5%) of budget Spend of \$171.5 M - \$163.1 M

Plan Component Descriptions & Details

- **Employee Safety**
 - **Voluntary Protection Program (VPP):**
 - Conduct and document OSHA VPP monthly facility assessments for each location
 - Provide necessary improvements as documented through the initial VPP facility assessments to make locations ready to apply for and be capable of passing a facility VPP inspection by OSHA
 - **Preventable Motor Vehicle Accident Rate:**
 - Preventable motor Vehicle Rate = # of Preventable Motor Vehicle Accidents × 1,000,000 ÷ by actual company miles driven; this gives a rate of # of incidents per million miles driven
 - Preventable takes into account the reportable criteria plus the determination if our driver did everything within their control to avoid the incident

- **Public Safety/Reliability**
 - **Emergency Response Rate:**

The frequency rate at which a first responder arrives on premise within 45 minutes of the receipt of an emergency call - typically an odor complaint
 - **Total Damage Rate:**

The number of excavation damages per 1,000 locate tickets received (*damages ÷ 1,000 tickets received*) which measures effectiveness of facility locating and excavation damage prevention programs; the metric allows comparison across peer companies through American Gas Association (AGA) benchmarking data
 - **Reliability Index Value:**
 - SAIDI – System Average Interruption Duration Index: # of minutes of customer interruption
 - SAIFI – System Average Interruption Frequency Index: # of sustained customer interruptions
 - CAIDI – Customer Average Interruption Duration Index: # of customers affected

- **Customer Satisfaction**
 - **JD Power** (score of 739 attained in 2017):

The JD Power survey and related award measures customer satisfaction related to billing and payment, price, corporate citizenship, communications, customer service, and field service
 - **Grade of Service:**

The percentage of calls answered within 30 seconds (PUC requires 80%)

- **Business Growth**
 - **New Residential heating accounts:**

The # of new residential customers in the conversion, new construction, and upgrade categories
 - **New Commercial heating accounts:**

The # of new N rate (small commercial) customers in the conversion, new construction, and upgrade categories
 - **Contract customer margin:**

The amount of expected annualized margin for new rate DS (delivery service), LFD (large firm delivery), IS (interruptible service), and XD (large delivery) customers (excludes Invenergy)

- **Replacement & Betterment Program:**
 - Infrastructure improvement program for replacement of cast iron and/or bare steel
 - A threshold of 64 miles of replacement is required to qualify for the incentive for this metric
 - The gas replacement and betterment budget for the Uniondale-Scranton reinforcement is excluded from the budget for determining achievement of goal

UGI CORPORATION
EXECUTIVE ANNUAL BONUS PLAN
(As amended as of November 15, 2018)

I. Purpose. The purpose of the UGI Corporation Executive Annual Bonus Plan (the “Plan”) is to provide a means whereby UGI Corporation (the “Company”) may provide incentive compensation to its eligible employees to serve as an incentive for employee performance and retention. The Plan is intended to encourage eligible employees to contribute to the growth of the Company and the enhancement of shareholder value. The Plan is part of a total compensation structure under which a meaningful portion of eligible employees’ total compensation is based on achievement of performance goals relating to the eligible employees’ business and/or area of responsibility. The Plan was originally effective as of October 1, 2006, was amended and restated as of November 16, 2012, and is hereby amended and restated as of November 15, 2018.

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

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

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

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

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

2.5 “*Company*” means UGI Corporation, a Pennsylvania corporation, or any successor thereto.

2.6 “*Eligible Employee*” means, unless determined otherwise by the Committee, (i) a U.S. salaried employee of the Employer or an expatriate of the Employer, in either case who is compensated in the executive salary grade structure, or (ii) an employee of the Employer who is employed outside of the U.S. and has the title of UGI International Regional Business Unit Head or equivalent as determined by the Committee. The Committee may also designate in writing that one or more other senior level employees of an Employer shall be Eligible Employees for purposes of the Plan for a Fiscal Year, in its sole discretion.

2.7 “*Employer*” means, unless determined otherwise by the Committee, the Company and its subsidiaries, other than UGI Utilities, Inc. and AmeriGas Propane, Inc. and each of their subsidiaries.

2.8 “*Equity Plan*” means the UGI Corporation 2013 Omnibus Incentive Compensation Plan, as in effect from time to time, or a successor plan.

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

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

2.11 “*Plan*” means this UGI Corporation Executive Annual Bonus Plan, as in effect from time to time.

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

2.13 “*Stock Award*” shall have the meaning given that term under the Equity Plan.

III. Annual Bonus.

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

3.2 Performance Goals.

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

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

(c) **Weighting; Leverage Tables.** At the time the Committee establishes performance goals for each Fiscal Year, the Committee shall determine the weighting for each

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

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

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

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

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

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

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

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

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

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

IV. Termination of Employment.

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

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

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

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

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

V. Administration.

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

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

VI. General Provisions.

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

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

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

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

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

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

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

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

UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
Amended and Restated as of September 5, 2014

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UGI CORPORATION

2004 OMNIBUS EQUITY COMPENSATION PLAN

Amended and Restated as of September 5, 2014

1. Purpose

The purpose of the UGI Corporation 2004 Omnibus Equity Compensation Plan (the “Plan”) is to provide (i) designated employees of UGI Corporation (“UGI”) and its subsidiaries, and (ii) non-employee members of the board of directors of UGI with the opportunity to receive grants of stock options, stock units, performance units, stock awards, stock appreciation rights, dividend equivalents and other stock-based awards. UGI believes that by providing equity based compensation, the Plan will encourage the participants to contribute materially to the growth of UGI, thereby benefiting UGI’s shareholders, and will more closely align the economic interests of the participants with those of the shareholders.

The Plan was adopted effective as of January 1, 2004, and was approved by the shareholders of UGI. The UGI Corporation Directors’ Equity Compensation Plan was merged into the Plan as of January 1, 2004. The Plan was hereby amended and restated effective December 5, 2006 to increase the number of shares authorized to be issued under the Plan and to make other appropriate changes. The 2006 amended and restated Plan was subject to shareholder approval, except that the changes to the definition of Fair Market Value in Section 2(l), and the changes to the provisions for adjustments in Section 5(d), were effective as of December 5, 2006. The Plan is hereby amended and restated effective September 5, 2014 to reflect the Stock Split.

2. Definitions

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

- (a) “*Board*” means UGI’s Board of Directors as constituted from time to time.
- (b) “*Certificate*” means a certificate, or electronic book entry equivalent, for a share of Stock.
- (c) “*Change of Control*” means a change of control of UGI as described on the attached Exhibit A, or as modified by the Board from time to time.
- (d) “*Code*” means the Internal Revenue Code of 1986, as amended.
- (e) “*Committee*” means (i) with respect to Grants to Employees, the Compensation and Management Development Committee of the Board or its successor, and (ii) with respect to Grants made to Non-Employee Directors, the Board or its delegate.
- (f) “*Company*” means UGI and any Subsidiary.

(g) “*Date of Grant*” means the effective date of a Grant; provided, however, that no retroactive Grants will be made.

(h) “*Directors’ Equity Plan*” means the UGI Corporation Directors’ Equity Compensation Plan.

(i) “*Dividend Equivalent*” means an amount determined by multiplying the number of shares of Stock subject to a Grant by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by UGI on its Stock.

(j) “*Employee*” means an employee of the Company (including an officer or director who is also an employee). For purposes of the Plan, the term “Employee” shall also include a chief executive officer or other officer or person who performs management and policymaking functions with respect to a Subsidiary of UGI located outside the United States.

(k) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

(l) “*Fair Market Value*” of Stock means the last reported sale price of a share of Stock on the New York Stock Exchange on the day on which Fair Market Value is being determined, as reported on the composite tape for transactions on the New York Stock Exchange. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange. Notwithstanding the foregoing, in the case of a broker-assisted exercise pursuant to Section 7(f), the Fair Market Value will be the actual sale price of the shares issued upon exercise of the Option.

(m) “*Grant*” means an Option, Stock Unit, Performance Unit, Stock Award, Stock Appreciation Right, Dividend Equivalent or Other Stock-Based Award granted under the Plan.

(n) “*Grant Letter*” means the written instrument that sets forth the terms and conditions of a Grant, including all amendments thereto.

(o) “*Non-Employee Director*” means a member of the Board who is not an employee of the Company.

(p) “*Option*” means an option to purchase shares of Stock, as described in Section 7.

(q) “*Option Price*” means an amount per share of Stock purchasable under an Option, as designated by the Committee.

(r) “*Other Stock-Based Award*” means any Grant based on, measured by or payable in Stock (other than Grants described in Sections 7, 8, 9, 10, 11 and 12 of the Plan) as described in Section 13.

(s) “*Participant*” means an Employee or Non-Employee Director designated by the Committee to participate in the Plan.

- (t) “*Performance Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 9.
- (u) “*Plan*” means this 2004 Omnibus Equity Compensation Plan, as in effect from time to time.
- (v) “*Stock*” means the common stock of UGI or such other securities of UGI as may be substituted for Stock pursuant to Section 5(d) or Section 18.
- (w) “*Stock Appreciation Right*” means a stock appreciation right with respect to a share of Company Stock as described in Section 11.
- (x) “*Stock Award*” means an award of Stock as described in Section 10.
- (y) “*Stock Split*” means the three-for-two split of the Stock that was approved by the Board effective as of September 5, 2014.
- (z) “*Stock Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 8.
- (aa) “*Subsidiary*” means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned, directly or indirectly, by UGI.
- (bb) “*Target Amount*” means a target number of Shares to be issued based on achievement of the performance goals and satisfaction of all conditions for payment of Performance Units at the 100% level.
- (cc) “*UGI*” means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. Administration

- (a) Committee. The Plan shall be administered and interpreted by the Compensation and Management Development Committee of the Board or its successor with respect to grants to Employees. The Plan shall be administered and interpreted by the Board, or by a committee of directors to whom the Board has delegated responsibility, with respect to grants to Non-Employee Directors. The Board or committee, as applicable, that has authority with respect to a specific Grant shall be referred to as the “Committee” with respect to that Grant. Ministerial functions may be performed by an administrative committee comprised of Company employees appointed by the Committee.
- (b) Committee Authority. The Committee shall have the sole authority to (i) determine the Participants to whom Grants shall be made under the Plan, (ii) determine the type, size and terms and conditions of the Grants to be made to each such Participant, (iii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend

the terms and conditions of any previously issued Grant, subject to the provisions of Section 20 below, and (v) deal with any other matters arising under the Plan.

(c) **Committee Determinations.** The 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, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated Participants.

4. Grants

(a) Grants under the Plan may consist of Options as described in Section 7, Stock Units as described in Section 8, Performance Units as described in Section 9, Stock Awards as described in Section 10, Stock Appreciation Rights as described in Section 11, Dividend Equivalents as described in Section 12 and Other Stock-Based Awards as described in Section 13. All Grants shall be subject to such terms and conditions as the Committee deems appropriate and as are specified in writing by the Committee to the Participant in the Grant Letter.

(b) All Grants shall be made conditional upon the Participant's acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

(c) The Committee may make Grants that are contingent on, and subject to, shareholder approval of the Plan or an amendment to the Plan.

5. Shares Subject to the Plan¹

(a) **Shares Authorized.** The total aggregate number of shares of Stock that may be issued under the Plan from January 1, 2004 is 22,500,000 shares, subject to adjustment as described below. The maximum number of shares of Stock that may be issued under the Plan from January 1, 2004 pursuant to Grants other than Options or Stock Appreciation Rights during the term of the Plan is 4,800,000 shares, subject to adjustment as described below. The shares may be authorized but unissued shares of Stock or reacquired shares of Stock for purposes of the Plan.

(b) **Share Counting.** For administrative purposes, when the Committee makes a Grant payable in Stock, the Committee shall reserve, and count against the share limit, shares equal to the maximum number of shares that may be issued under the Grant. If and to the extent Options or Stock Appreciation Rights granted under the Plan terminate, expire, or are canceled,

¹ The share numbers set forth herein have been adjusted to reflect the Stock Split.

forfeited, exchanged or surrendered without having been exercised, and if and to the extent that any Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards are forfeited or terminated, or otherwise are not paid in full, the shares reserved for such Grants shall again be available for purposes of the Plan. Shares of Stock surrendered in payment of the Option Price of an Option, and shares withheld or surrendered for payment of taxes, shall not be available for re-issuance under the Plan. If Stock Appreciation Rights are granted, the full number of shares subject to the Stock Appreciation Rights shall be considered issued under the Plan, without regard to the number of shares issued upon settlement of the Stock Appreciation Rights and without regard to any cash settlement of the Stock Appreciation Rights. To the extent that other Grants are designated in the Grant Letter to be paid in cash, and not in shares of Stock, such Grants shall not count against the share limits in subsection (a).

(c) Individual Limits. All Grants under the Plan, other than Dividend Equivalents, shall be expressed in shares of Stock. The maximum aggregate number of shares of Stock with respect to which all Grants may be made under the Plan to any individual during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which all Grants, other than Options and Stock Appreciation Rights, may be made under the Plan to any individual during any calendar year shall be 300,000 shares, subject to adjustment as described below. A Participant may not accrue Dividend Equivalents during any calendar year in excess of \$750,000. The individual limits of this subsection (b) shall apply without regard to whether the Grants are to be paid in Stock or cash. All cash payments (other than with respect to Dividend Equivalents) shall equal the Fair Market Value of the shares of Stock to which the cash payment relates.

(d) Adjustments. If there is any change in the number or kind of shares of Stock outstanding (i) by reason of a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Stock is substantially reduced as result of a spinoff or the Company's payment of any extraordinary dividend or distribution, the maximum number of shares of Stock available for issuance under the Plan, the maximum number of shares of Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares to be issued or issuable under the Plan, and the price per share or the applicable market value of such Grants shall be required to be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Section 409A of the Code, to the extent applicable. Any adjustments determined by the Committee shall be final, binding and conclusive.

6. Eligibility for Participation

(a) Eligible Persons. All Employees, including Employees who are officers or members of the Board, and all Non-Employee Directors shall be eligible to participate in the Plan.

(b) Selection of Participants. The Committee shall select the Employees and Non-Employee Directors to receive Grants and shall determine the number of shares of Stock subject to each Grant.

7. Options

(a) General Requirements. The Committee may grant Options to an Employee or Non-Employee Director upon such terms and conditions as the Committee deems appropriate under this Section 7. Dividend Equivalents may not be granted with respect to Options.

(b) Number of Shares. The Committee shall determine the number of shares of Stock that will be subject to each Grant of Options to Employees and Non-Employee Directors.

(c) Type of Option, Price and Term.

(i) The Committee may grant Options that are nonqualified stock options and are not considered incentive stock options under section 422 of the Code.

(ii) The Option Price of Stock subject to an Option shall be determined by the Committee and shall be equal to or greater than the Fair Market Value of a share of Stock on the Date of Grant.

(iii) The Committee shall determine the term of each Option. The term of an Option shall not exceed ten years from the Date of Grant.

(d) Exercisability of Options. Options shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(e) Termination of Employment or Service. Except as provided in the Grant Letter, an Option may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise an Option after termination of employment or service.

(f) Exercise of Options. A Participant may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Participant shall pay the Option Price for the Option (i) in cash, (ii) by delivering shares of Stock owned by the Participant and having a Fair Market Value on the date of exercise equal to the Option Price or by attestation to ownership of shares of Stock having an aggregate Fair Market Value on the date of exercise equal to the Option Price, (iii) by payment through a broker in

accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (iv) by such other method as the Committee may approve. Shares of Stock used to exercise an Option shall have been held by the Participant for the requisite period of time to avoid adverse accounting consequences to the Company with respect to the Option. Payment for the shares pursuant to the Option, and any required withholding taxes, must be received by the time specified by the Committee depending on the type of payment being made, but in all cases prior to the issuance of the Stock.

8. Stock Units

(a) General Requirements. The Committee may grant Stock Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 8. Each Stock Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock. All Stock Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Terms of Stock Units. The Committee may grant Stock Units that are payable on terms and conditions determined by the Committee. Stock Units may be paid at the end of a specified period, or payment may be deferred to a date authorized by the Committee consistent with section 409A of the Code. The Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units. The Committee may grant Dividend Equivalents with respect to Stock Units.

(c) Payment With Respect to Stock Units. Payment with respect to Stock Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Grant Letter shall specify the maximum number of shares that can be issued under the Stock Units.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Units after termination of the Participant's employment or service, and the circumstances under which Stock Units may be forfeited.

9. Performance Units

(a) General Requirements. The Committee may grant Performance Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 9. Each Performance Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock, if specified performance goals and other conditions are met. All Performance Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Terms of Performance Units. The Committee shall establish the performance goals and other conditions for payment of Performance Units. Performance Units may be paid at the end of a specified performance or other period, or payment may be deferred to a date authorized by the Committee, consistent with section 409A of the Code. The Committee shall determine the number of Performance Units to be granted and the requirements applicable to

such Performance Units. The Committee may grant Dividend Equivalents with respect to Performance Units.

(c) Payment With Respect to Performance Units. Payment with respect to Performance Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Committee shall establish a Target Amount for Performance Units in the Grant Letter. Payment of Performance Units in excess of the Target Amount shall be made in cash.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Performance Units after termination of the Participant's employment or service, and the circumstances under which Performance Units may be forfeited.

10. Stock Awards

(a) General Requirements. The Committee may issue shares of Stock to an Employee or Non-Employee Director under a Stock Award, upon such terms and conditions as the Committee deems appropriate under this Section 10. Shares of Stock issued pursuant to Stock Awards may be issued for cash consideration or for no cash consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Committee deems appropriate, including restrictions based upon the achievement of specific performance goals.

(b) Number of Shares. The Committee shall determine the number of shares of Stock to be issued pursuant to a Stock Award and any restrictions applicable to such shares.

(c) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Awards after termination of the Participant's employment or service, and the circumstances under which Stock Awards may be forfeited.

(d) Restrictions on Transfer. While Stock Awards are subject to restrictions, a Participant may not sell, assign, transfer, pledge or otherwise dispose of the shares of a Stock Award except upon death as described in Section 17. Each Certificate for a share of a Stock Award shall contain a legend giving appropriate notice of the restrictions in the Grant. The Participant shall be entitled to have the legend removed when all restrictions on such shares have lapsed. The Company may retain possession of any Certificates for Stock Awards until all restrictions on such shares have lapsed.

(e) Right to Vote and to Receive Dividends. The Committee shall determine to what extent, and under what conditions, the Participant shall have the right to vote shares of Stock Awards and to receive any dividends or other distributions paid on such shares during the restriction period.

11. Stock Appreciation Rights

(a) General Requirements. The Committee may grant Stock Appreciation Rights to an Employee or Non-Employee Director separately or in tandem with any Option (for all or a portion of the applicable Option). Dividend Equivalents may not be granted with respect to Stock Appreciation Rights.

(b) Number of Shares, Term and Base Amount. The Committee shall establish the number of shares, the term and the base amount of the Stock Appreciation Right at the time the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the Date of Grant. The base amount of a Stock Appreciation Right shall not be less than the Fair Market Value of a share of Stock on the Date of Grant of the Stock Appreciation Right.

(c) Exercisability. Stock Appreciation Rights shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Stock Appreciation Rights at any time for any reason. A tandem Stock Appreciation Right shall be exercisable only during the period when the Option to which it is related is also exercisable.

(d) Termination of Employment or Service. Except as provided in the Grant Letter, a Stock Appreciation Right may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise a Stock Appreciation Right after termination of employment or service.

(e) Exercise of Stock Appreciation Rights. When a Participant exercises a Stock Appreciation Right, the Participant shall receive in settlement of such Stock Appreciation Right an amount equal to the value of the Stock appreciation for the number of Stock Appreciation Rights exercised. The Stock appreciation is the amount by which the Fair Market Value of the underlying shares of Stock on the date of exercise of the Stock Appreciation Right exceeds the base amount of the Stock Appreciation Right as specified in the Grant Letter. The Stock appreciation amount shall be paid in shares of Company Stock, cash or any combination of the two, as the Committee shall determine in the Grant Letter. For purposes of calculating the number of shares of Stock to be received, shares of Stock shall be valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right.

12. Dividend Equivalents.

(a) General Requirements. When the Committee grants Stock Units or Performance Units under the Plan, the Committee may grant Dividend Equivalents in connection with such Grants under such terms and conditions as the Committee deems appropriate under this Section 12. Dividend Equivalents may be paid to Participants currently or may be deferred, consistent with section 409A of the Code, as determined by the Committee. All Dividend Equivalents that are not paid currently shall be credited to accounts on the Company's records for purposes of the Plan. Dividend Equivalents may be accrued as a cash obligation, or may be converted to Stock Units for the Participant, as determined by the Committee. Unless otherwise specified in the

Grant Letter, deferred Dividend Equivalents will not accrue interest. The Committee may provide that Dividend Equivalents shall be payable based on the achievement of specific performance goals.

(b) Payment with Respect to Dividend Equivalents. Dividend Equivalents may be payable in cash or shares of Stock or in a combination of the two, as determined by the Committee in the Grant Letter.

13. Other Stock-Based Awards

The Committee may grant other awards that are based on, measured by or payable in Stock to Employees or Non-Employee Directors, on such terms and conditions as the Committee deems appropriate under this Section 13. Other Stock-Based Awards may be granted subject to achievement of performance goals or other conditions and may be payable in Stock or cash, or in a combination of the two, as determined by the Committee in the Grant Letter.

14. Qualified Performance-Based Compensation

(a) Designation as Qualified Performance-Based Compensation. The Committee may determine that Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards granted to an Employee shall be considered “qualified performance-based compensation” under section 162(m) of the Code. The provisions of this Section 14 shall apply to any such Grants that are to be considered “qualified performance-based compensation” under section 162(m) of the Code.

(b) Performance Goals. When Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards that are to be considered “qualified performance-based compensation” are granted, the Committee shall establish in writing (i) the objective performance goals that must be met, (ii) the period during which performance will be measured, (iii) the maximum amounts that may be paid if the performance goals are met, and (iv) any other conditions that the Committee deems appropriate and consistent with the requirements of Section 162(m) of the Code for “qualified performance-based compensation.” The performance goals shall satisfy the requirements for “qualified performance-based compensation,” including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the performance goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee shall not have discretion to increase the amount of compensation that is payable, but may reduce the amount of compensation that is payable, pursuant to Grants identified by the Committee as “qualified performance-based compensation.”

(c) Criteria Used for Objective Performance Goals. The Committee shall use objectively determinable performance goals based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, margin, EBITDA (earnings before interest, taxes, depreciation and amortization), net capital employed, return on assets, shareholder return, return on equity, return on capital employed, growth in assets, unit volume, sales, cash flow, market share, relative performance to a comparison group designated by the

Committee, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, customer growth, geographic business expansion goals, cost targets or goals relating to acquisitions or divestitures. The performance goals may relate to the Participant's business unit or the performance of the Company as a whole, or any combination of the foregoing. Performance goals need not be uniform as among Participants.

(d) Timing of Establishment of Goals. The Committee shall establish the performance goals in writing either before the beginning of the performance period or during a period ending no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the date on which 25% of the performance period has been completed, or such other date as may be required or permitted under applicable regulations under section 162(m) of the Code.

(e) Certification of Results. The Committee shall certify the performance results for the performance period specified in the Grant Letter after the performance period expires. The Committee shall determine the amount, if any, to be paid pursuant to each Grant based on the achievement of the performance goals and the satisfaction of all other terms of the Grant Letter.

(f) Death, Disability or Other Circumstances. The Committee may provide in the Grant Letter that Grants identified as qualified performance-based compensation shall be payable, in whole or in part, in the event of the Participant's death or disability, a Change of Control or under other circumstances consistent with the Treasury regulations and rulings under section 162(m) of the Code.

15. Directors' Equity Plan

The Directors' Equity Plan was merged into this Plan as of January 1, 2004, and all outstanding Units and accrued Dividend Equivalents under the Directors' Equity Plan as of January 1, 2004 shall be issued and paid out of this Plan. No additional awards shall be made under the Directors' Equity Plan. Dividend Equivalents shall be credited under this Plan with respect to outstanding Units under the Directors' Equity Plan, according to terms and conditions established by the Committee under Section 12.

16. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Company may require that the Participant or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants, or the Company may deduct from other wages paid by the Company the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. If the Committee so permits, a Participant may elect to satisfy the Company's tax withholding obligation with respect to Grants paid in Stock by having shares of Stock withheld, at the time such Grants become taxable, up to an amount that does not exceed the minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities.

17. Transferability of Grants

Only the Participant may exercise rights under a Grant during the Participant's lifetime, and a Participant may not transfer those rights except by will or by the laws of descent and distribution. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant's will or under the applicable laws of descent and distribution.

18. Consequences of a Change of Control

(a) Notice and Acceleration. Upon a Change of Control, unless the Committee determines otherwise, (i) the Company shall provide each Participant who holds outstanding Grants with written notice of the Change of Control, (ii) all outstanding Options and Stock Appreciation Rights shall automatically accelerate and become fully exercisable, (iii) the restrictions and conditions on all outstanding Stock Awards shall immediately lapse, (iv) all Stock Units and Performance Units shall become payable in cash in an amount not less than their Target Amount or in a larger amount, up to the maximum Grant value, as determined by the Committee, and (v) Dividend Equivalents and Other Stock-Based Awards shall become payable in full in cash, in amounts determined by the Committee.

(b) Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Committee determines otherwise, all outstanding Options and Stock Appreciation Rights that are not exercised shall be assumed by, or replaced with comparable options or stock appreciation rights by, the surviving corporation (or a parent or subsidiary of the surviving corporation), and other Grants that remain outstanding after the Change of Control shall be converted to similar Grants of the surviving corporation (or a parent or subsidiary of the surviving corporation).

(c) Other Alternatives. Notwithstanding the foregoing, subject to subsection (d) below, in the event of a Change of Control, the Committee may take any of the following actions with respect to any or all outstanding Grants, without the consent of any Participant: (i) the Committee may require that Participants surrender their outstanding Options and Stock Appreciation Rights in exchange for a payment by the Company, in cash or Stock as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Stock subject to the Participant's unexercised Options and Stock Appreciation Rights exceeds the Option Price or base amount, (ii) after giving Participants an opportunity to exercise their outstanding Options and Stock Appreciation Rights, the Committee may terminate any or all unexercised Options and Stock Appreciation Rights at such time as the Committee deems appropriate, and (iii) with respect to Participants holding Stock Units, Performance Units, Dividend Equivalents or Other Stock-Based Awards, the Committee may determine that such Participants shall receive a payment in settlement of such Stock Units, Performance Units, Dividend Equivalents or Other Stock-Based Awards, in such amount and form as may be determined by the Committee. Such surrender or termination shall take place as of the date of the Change of Control or such other date as the Committee may specify.

(d) Committee. The Committee making the determinations under this Section 18 following a Change of Control must be comprised of the same members as those of the Committee immediately before the Change of Control. If the Committee members do not meet this requirement, the automatic provisions of subsections (a) and (b) shall apply, and the Committee shall not have discretion to vary them.

(e) Other Transactions. The Committee may provide in a Grant Letter that a sale or other transaction involving a Subsidiary or other business unit of the Company shall be considered a Change of Control for purposes of a Grant, or the Committee may establish other provisions that shall be applicable in the event of a specified transaction.

19. Requirements for Issuance of Shares

No Stock shall be issued in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance of such Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant made to any Participant hereunder on such Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Stock as the Committee shall deem necessary or advisable, and Certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be required by applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon. No Participant shall have any right as a shareholder with respect to Stock covered by a Grant until shares have been issued to the Participant.

20. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without approval of the shareholders of UGI if such approval is required in order to comply with the Code or applicable laws, or to comply with applicable stock exchange requirements. No amendment or termination of this Plan shall, without the consent of the Participant, materially impair any rights or obligations under any Grant previously made to the Participant under the Plan, unless such right has been reserved in the Plan or the Grant Letter, or except as provided in Section 21(c) below.

(b) No Repricing Without Shareholder Approval. Notwithstanding anything in the Plan to the contrary, the Committee may not reprice Options or Stock Appreciation Rights, nor may the Board amend the Plan to permit repricing of Options or Stock Appreciation Rights, unless the shareholders of UGI provide prior approval for such repricing. The term "repricing" shall have the meaning given that term in Section 303A(8) of the New York Stock Exchange Listed Company Manual, as in effect from time to time.

(c) Shareholder Approval for "Qualified Performance-Based Compensation." If Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards are granted as "qualified performance-based compensation" under Section 14 above, the Plan must be reapproved by the UGI shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the

provisions of Section 14, if additional Grants are to be made under Section 14 and if required by section 162(m) of the Code or the regulations thereunder.

(d) Termination of Plan. The Plan shall terminate on December 4, 2016, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the shareholders. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant.

21. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or for other proper corporate purposes, or (ii) limit the right of the Company to grant stock options or make other stock-based awards outside of this Plan. Without limiting the foregoing, the Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company in substitution for a grant made by such corporation. The terms and conditions of the Grants may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives, as determined by the Committee.

(b) Reduction of Responsibilities. The Committee shall have discretion to adjust an Employee's outstanding Grants if the Employee's authority, duties or responsibilities are significantly reduced.

(c) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Stock under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Grants made under Section 14 of the Plan comply with the applicable provisions of section 162(m) of the Code. To the extent that any legal requirement of section 16 of the Exchange Act or section 162(m) of the Code as set forth in the Plan ceases to be required under section 16 of the Exchange Act or section 162(m) of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to Participants. The Committee may, in its sole discretion, agree to limit its authority under this Section.

(d) Enforceability. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(e) Funding of the Plan; Limitation on Rights. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other

segregation of assets to assure the payment of any Grants under this Plan. Nothing contained in the Plan and no action taken pursuant hereto shall create or be construed to create a fiduciary relationship between the Company and any Participant or any other person. No Participant or any other person shall under any circumstances acquire any property interest in any specific assets of the Company. To the extent that any person acquires a right to receive payment from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

(f) Rights of Participants. Nothing in this Plan shall entitle any Employee, Non-Employee Director or other person to any claim or right to receive a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employment or service of the Company.

(g) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Grant. The Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(h) Employees Subject to Taxation Outside the United States. With respect to Participants who are subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(i) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Letters issued under the Plan shall be governed and construed by and determined in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof.

Exhibit A

**UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
AMENDED AND RESTATED AS OF SEPTEMBER 5, 2014**

For purposes of the Plan, the term “Change of Control,” and other defined terms used in the definition of “Change of Control,” 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. 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. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

5. “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
Effective as of September 5, 2014

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UGI CORPORATION

2013 OMNIBUS INCENTIVE COMPENSATION PLAN

Effective as of September 5, 2014

1. Purpose

The purpose of the UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “Plan”) is to provide (i) designated employees of UGI Corporation (“UGI”) and its subsidiaries, and (ii) non-employee members of the board of directors of UGI with the opportunity to receive grants of stock options, stock units, performance units, stock awards, stock appreciation rights, dividend equivalents, other stock-based awards and cash awards. UGI believes that by providing equity based and cash based incentive compensation, the Plan will encourage the participants to contribute materially to the growth of UGI, thereby benefiting UGI’s shareholders, and will more closely align the economic interests of the participants with those of the shareholders.

The Plan was adopted by the Board effective January 24, 2013, subject to shareholder approval of the Plan. The Plan is hereby amended and restated effective September 5, 2014 to reflect the Stock Split.

2. Definitions

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

- (a) “*Base Amount*” means the base amount for a Stock Appreciation Right, as described in Section 11.
- (b) “*Board*” means UGI’s Board of Directors as constituted from time to time.
- (c) “*Cash Award*” means awards to be settled in cash as described in Section 14.
- (d) “*Certificate*” means a certificate, or electronic book entry equivalent, for a share of Stock.
- (e) “*Change of Control*” means a change of control of UGI as described on the attached Exhibit A, or as modified by the Board from time to time. The Committee may provide for a more limited definition of “Change of Control” in a Grant Letter if necessary or appropriate to comply with the requirements of Section 409A of the Code.
- (f) “*Code*” means the Internal Revenue Code of 1986, as amended.
- (g) “*Committee*” means (i) with respect to Grants to Employees, the Compensation and Management Development Committee of the Board or its successor, and (ii) with respect to Grants made to Non-Employee Directors, the Board or its delegate.
- (h) “*Company*” means UGI and any Subsidiary.

(i) “*Date of Grant*” means the effective date of a Grant; provided, however, that no retroactive Grants will be made.

(j) “*Dividend Equivalent*” means an amount determined by multiplying the number of shares of Stock subject to a Grant by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by UGI on its Stock.

(k) “*Employee*” means an employee of the Company (including an officer or director who is also an employee). For purposes of the Plan, the term “Employee” shall also include a chief executive officer or other officer or person who performs management and policymaking functions with respect to a Subsidiary of UGI located outside the United States. In no event shall any of the following persons be considered an Employee for purposes of the Plan: (i) independent contractors, (ii) persons performing services pursuant to an arrangement with a third party leasing organization or (iii) any person whom the Company determines, in its sole discretion, is not a common law employee, whether or not any such person is later determined to have been a common law employee of the Company.

(l) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

(m) “*Fair Market Value*” of Stock means, unless the Committee determines otherwise with respect to a particular Grant, the last reported sale price of a share of Stock on the New York Stock Exchange during regular trading hours on the day on which Fair Market Value is being determined, as reported on the composite tape for transactions on the New York Stock Exchange. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange. Notwithstanding the foregoing, in the case of a broker-assisted exercise pursuant to Section 7(f), the Fair Market Value will be the actual sale price of the shares issued upon exercise of the Option.

(n) “*Grant*” means an Option, Stock Unit, Performance Unit, Stock Award, Stock Appreciation Right, Dividend Equivalent, Other Stock-Based Award or Cash Award granted under the Plan.

(o) “*Grant Letter*” means the written instrument that sets forth the terms and conditions of a Grant, including all amendments thereto.

(p) “*Non-Employee Director*” means a member of the Board who is not an employee of the Company.

(q) “*Option*” means an option to purchase shares of Stock, as described in Section 7.

(r) “*Option Price*” means an amount per share of Stock purchasable under an Option, as designated by the Committee.

(s) “*Other Stock-Based Award*” means any Grant based on, measured by or payable in Stock (other than Grants described in Sections 7, 8, 9, 10, 11 and 12 of the Plan) as described in Section 13.

(t) “*Participant*” means an Employee or Non-Employee Director designated by the Committee to participate in the Plan.

(u) “*Performance Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 9.

(v) “*Plan*” means this 2013 Omnibus Incentive Compensation Plan, as in effect from time to time.

(w) “*Stock*” means the common stock of UGI or such other securities of UGI as may be substituted for Stock pursuant to Section 5(e) or Section 18.

(x) “*Stock Appreciation Right*” means a stock appreciation right with respect to a share of Stock as described in Section 11.

(y) “*Stock Award*” means an award of Stock as described in Section 10.

(z) “*Stock Split*” means the three-for-two split of the Stock that was approved by the Board effective as of September 5, 2014.

(aa) “*Stock Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 8.

(bb) “*Subsidiary*” means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned, directly or indirectly, by UGI.

(cc) “*Target Amount*” means a target number of shares of Stock to be issued based on achievement of the performance goals and satisfaction of all conditions for payment of Performance Units at the 100% level.

(dd) “*UGI*” means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. Administration

(a) Committee. The Plan shall be administered and interpreted by the Compensation and Management Development Committee of the Board or its successor with respect to grants to Employees. The Compensation and Management Development Committee shall be comprised, unless otherwise determined by the Board, solely of not less than two (2) members who shall be (i) “non-employee directors” within the meaning of Rule 16b-3(b)(3) (or any successor rule) promulgated under the Exchange Act, (ii) “outside directors” within the meaning of Treasury Regulation Section 1.162-27(e)(3) under Section 162(m) of the Code, and (iii) “independent directors,” as determined in accordance with the independence standards established by the stock exchange on which the Stock is at the time primarily traded. The Plan shall be administered and interpreted by the Board, or by a committee of directors to whom the Board has delegated responsibility, with respect to grants to Non-Employee Directors. The Board or committee, as applicable, that has authority with respect to a specific Grant shall be referred to as the

“Committee” with respect to that Grant. Ministerial functions may be performed by Company employees as appropriate.

(b) Committee Authority. The Committee shall have the sole authority to (i) determine the Participants to whom Grants shall be made under the Plan, (ii) determine the type, size and terms and conditions of the Grants to be made to each such Participant, (iii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms and conditions of any previously issued Grant, subject to the provisions of Section 20 below, and (v) deal with any other matters arising under the Plan.

(c) Committee Determinations. The 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, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee’s interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated Participants.

4. Grants

(a) Grants under the Plan may consist of Options as described in Section 7, Stock Units as described in Section 8, Performance Units as described in Section 9, Stock Awards as described in Section 10, Stock Appreciation Rights as described in Section 11, Dividend Equivalents as described in Section 12, Other Stock-Based Awards as described in Section 13 and Cash Awards as described in Section 14. All Grants shall be subject to such terms and conditions as the Committee deems appropriate and as are specified in writing by the Committee to the Participant in the Grant Letter.

(b) All Grants shall be made conditional upon the Participant’s acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

(c) The Committee may make Grants that are contingent on, and subject to, shareholder approval of the Plan or an amendment to the Plan.

5. Shares Subject to the Plan¹

(a) Shares Authorized. The total aggregate number of shares of Stock that may be issued under the Plan is 21,750,000 shares, subject to adjustment as described below. The shares may be authorized but unissued shares of Stock or reacquired shares of Stock for purposes of the

¹ The share numbers set forth herein have been adjusted to reflect the Stock Split.

Plan. Shares of Stock will be issued under this Plan with respect to Dividend Equivalents that are credited after the effective date of this Plan on Stock Units or Performance Units granted under the 2004 Plan before January 24, 2013.

(b) Share Counting. The number of shares of Stock reserved for Grants under this Plan shall be reduced on a one-for-one basis for each share of Stock subject to an Option or Stock Appreciation Right and shall be reduced by a fixed ratio of 4.67 shares of Stock for each share of Stock subject to a Stock Unit, Performance Unit, Stock Award, Dividend Equivalent or Other Stock-Based Award granted under the Plan. For administrative purposes, when the Committee makes a Grant payable in Stock, the Committee shall reserve, and count against the share limit, shares equal to the maximum number of shares that may be issued under the Grant. If and to the extent Options or Stock Appreciation Rights granted under the Plan terminate, expire, or are canceled, forfeited, exchanged or surrendered without having been exercised, and if and to the extent that any Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards are forfeited or terminated, or otherwise are not paid in full, the shares reserved for such Grants shall again be available for purposes of the Plan. Shares of Stock surrendered in payment of the Option Price of an Option, and shares withheld or surrendered for payment of taxes, shall not be available for re-issuance under the Plan. If Stock Appreciation Rights are exercised, the full number of shares subject to the Stock Appreciation Rights shall be considered issued under the Plan, without regard to the number of shares issued upon settlement of the Stock Appreciation Rights and without regard to any cash settlement of the Stock Appreciation Rights. To the extent that other Grants are designated in the Grant Letter to be paid in cash, and not in shares of Stock, such Grants shall not count against the share limits in subsection (a). The preceding sentences of this Section shall apply only for purposes of determining the aggregate number of shares of Stock that may be issued under the Plan, but shall not apply for purposes of determining the maximum number of shares of Stock with respect to which Grants may be granted to any Participant under the Plan. For the avoidance of doubt, if shares of Stock are repurchased by the Company on the open market with the proceeds of the exercise price of Options, such shares may not again be made available for issuance under the Plan.

(c) Individual Limits. All Grants under the Plan, other than Cash Awards and Dividend Equivalents, shall be expressed in shares of Stock. The individual share limits of this subsection (c) shall apply without regard to whether the Grants are to be paid in Stock or cash. All cash payments (other than with respect to Cash Awards and Dividend Equivalents) shall equal the Fair Market Value of the shares of Stock to which the cash payment relates. The maximum aggregate number of shares of Stock with respect to which all Grants may be made under the Plan to any individual Employee during any calendar year shall be 2,250,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which Options and Stock Appreciation Rights may be granted under the Plan to any individual Employee during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards may be made under the Plan to any individual Employee during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. An Employee may not accrue Dividend Equivalents during any calendar year in excess of \$1,000,000. The maximum amount that may be paid to an Employee under a Cash Award for each 12 months in a performance period shall be \$5,000,000.

(d) Adjustments. If there is any change in the number or kind of shares of Stock outstanding (i) by reason of a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Stock is substantially reduced as result of a spinoff or the Company's payment of any extraordinary dividend or distribution, the maximum number of shares of Stock available for issuance under the Plan, the maximum number of shares of Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares to be issued or issuable under the Plan, and the price per share or the applicable market value of such Grants shall be required to be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Sections 409A and 162(m) of the Code, to the extent applicable. The adjustments of Grants under this Section 5(d) shall include adjustment of shares, Option Price, Base Amount, performance goals or other terms and conditions, as the Committee deems appropriate. Any adjustments determined by the Committee shall be final, binding and conclusive.

(e) Acquisitions. In connection with the acquisition of any business by the Company or its affiliates, any outstanding equity grants with respect to stock of the acquired company may be assumed or replaced by Grants under the Plan upon such terms and conditions as the Committee deems appropriate, which may include terms, including Option Price and Base Amount, different from those described herein. Such substitute Grants shall not reduce the Plan's share reserve as described above in Section 5(a), consistent with applicable stock exchange requirements, and shall not be limited by the individual limits in Section 5(c).

6. Eligibility for Participation

(a) Eligible Persons. All Employees, including Employees who are officers or members of the Board, and all Non-Employee Directors shall be eligible to participate in the Plan.

(b) Selection of Participants. The Committee shall select the Employees and Non-Employee Directors to receive Grants and shall determine the terms of each Grant.

7. Options

(a) General Requirements. The Committee may grant Options to an Employee or Non-Employee Director upon such terms and conditions as the Committee deems appropriate under this Section 7. Dividend Equivalents may not be granted with respect to Options.

(b) Number of Shares. The Committee shall determine the number of shares of Stock that will be subject to each Grant of Options to Employees and Non-Employee Directors.

(c) Type of Option, Price and Term.

(i) The Committee may grant Options that are nonqualified stock options and are not considered incentive stock options under Section 422 of the Code.

(ii) The Option Price of Stock subject to an Option shall be determined by the Committee and shall be equal to or greater than the Fair Market Value of a share of Stock on the Date of Grant.

(iii) The Committee shall determine the term of each Option. The term of an Option shall not exceed ten years from the Date of Grant.

(iv) Notwithstanding any provision in the Plan or Grant Letter to the contrary, unless the Committee determines otherwise, if a vested Option would terminate at a time when trading in Stock is prohibited by law or by the Company's insider trading policy, the vested Option may be exercised until the thirtieth (30th) day after expiration of such prohibition (but not beyond the end of the term of the Option).

(d) Exercisability of Options. Options shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(e) Termination of Employment or Service. Except as provided in the Grant Letter, an Option may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise an Option after termination of employment or service.

(f) Exercise of Options. A Participant may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Participant shall pay the Option Price for the Option in any of the following methods, as permitted by the Committee with respect to the Option: (i) in cash, (ii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (iii) 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 of Company Stock equal to the amount by which the then Fair Market Value of the shares subject to the exercised Option exceeds the applicable Option Price, or (iv) by such other method as the Committee may approve. Payment for the shares pursuant to the Option, and any required withholding taxes, must be received by the time specified by the Committee depending on the type of payment being made, but in all cases prior to the issuance of the Stock.

8. Stock Units

(a) General Requirements. The Committee may grant Stock Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 8. Each Stock Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock. All Stock Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Vesting of Stock Units. The Committee shall establish the vesting conditions for Stock Units. If neither the grant nor the vesting of Stock Units is subject to performance conditions, the Stock Units shall vest over a period of not less than three (3) years and if the grant or vesting of Stock Units is subject to performance conditions, the Stock Units shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (i) Stock Units may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (ii) up to five percent (5%) of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 9(b) and 10(b) below.

(c) Terms of Stock Units. The Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units. The Committee may grant Stock Units that are payable on terms and conditions determined by the Committee. Stock Units may be paid at the end of a specified period, or payment may be deferred to a date authorized by the Committee consistent with Section 409A of the Code. The Committee may grant Dividend Equivalents with respect to Stock Units, subject to Section 12 below.

(d) Payment With Respect to Stock Units. Payment with respect to Stock Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Grant Letter shall specify the maximum number of shares that can be issued under the Stock Units.

(e) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Units after termination of the Participant's employment or service, and the circumstances under which Stock Units may be forfeited.

9. Performance Units

(a) General Requirements. The Committee may grant Performance Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 9. Each Performance Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock, if specified performance goals and other conditions are met. All Performance Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Vesting of Performance Units. The Committee shall establish the vesting conditions for Performance Units. Performance Units shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (i) Performance Units may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (ii) up to five percent (5%) of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 8(b) and 10(b).

(c) Terms of Performance Units. The Committee shall determine the number of Performance Units to be granted and the requirements applicable to such Performance Units, including the performance goals and other conditions for payment of Performance Units. Performance Units may be paid at the end of a specified performance or other period, or payment may be deferred to a date authorized by the Committee, consistent with Section 409A of the Code. The Committee may grant Dividend Equivalents with respect to Performance Units subject to Section 12 below.

(d) Payment With Respect to Performance Units. Payment with respect to Performance Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Committee shall establish a Target Amount for Performance Units in the Grant Letter. Unless the Committee determines otherwise, payment of Performance Units in excess of the Target Amount shall be made in cash.

(e) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Performance Units after termination of the Participant's employment or service, and the circumstances under which Performance Units may be forfeited.

10. Stock Awards

(a) General Requirements. The Committee may issue shares of Stock to an Employee or Non-Employee Director under a Stock Award, upon such terms and conditions as the Committee deems appropriate under this Section 10. Shares of Stock issued pursuant to Stock Awards may be issued for cash consideration or for no cash consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Committee deems appropriate, including restrictions based upon the achievement of specific performance goals.

(b) Vesting of Stock Awards. The Committee shall establish the vesting conditions for Stock Awards. If neither the grant nor the vesting of Stock Awards is subject to performance conditions, the Stock Awards shall vest over a period of not less than three (3) years and if the grant or vesting of Stock Awards is subject to performance conditions, the Stock Awards shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (x) Stock Awards may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (y) up to five percent 5% of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 8(b) and 9(b).

(c) Number of Shares. The Committee shall determine the number of shares of Stock to be issued pursuant to a Stock Award and any restrictions applicable to such shares.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Awards after termination

of the Participant's employment or service, and the circumstances under which Stock Awards may be forfeited.

(e) Restrictions on Transfer. While Stock Awards are subject to restrictions, a Participant may not sell, assign, transfer, pledge or otherwise dispose of the shares of a Stock Award except upon death as described in Section 17. Each Certificate for a share of a Stock Award shall contain a legend giving appropriate notice of the restrictions in the Grant. The Participant shall be entitled to have the legend removed when all restrictions on such shares have lapsed. The Company may retain possession of any Certificates for Stock Awards until all restrictions on such shares have lapsed.

(f) Right to Vote and to Receive Dividends. The Committee shall determine to what extent, and under what conditions, the Participant shall have the right to vote shares of Stock Awards and to receive any dividends or other distributions paid on such shares during the restriction period; provided that any right to receive dividends with respect to performance-based Stock Awards shall vest only if and to the extent that the underlying Stock Awards vest, as determined by the Committee.

11. Stock Appreciation Rights

(a) General Requirements. The Committee may grant Stock Appreciation Rights to an Employee or Non-Employee Director separately or in tandem with any Option (for all or a portion of the applicable Option) upon such terms and conditions as the Committee deems appropriate under this Section 11. Dividend Equivalents may not be granted with respect to Stock Appreciation Rights.

(b) Number of Shares, Term and Base Amount. The Committee shall establish the number of shares, the term and the Base Amount of the Stock Appreciation Right at the time the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the Date of Grant. The Base Amount of a Stock Appreciation Right shall not be less than the Fair Market Value of a share of Stock on the Date of Grant of the Stock Appreciation Right.

(c) Exercisability. Stock Appreciation Rights shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Stock Appreciation Rights at any time for any reason. A tandem Stock Appreciation Right shall be exercisable only during the period when the Option to which it is related is also exercisable.

(d) Termination of Employment or Service. Except as provided in the Grant Letter, a Stock Appreciation Right may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise a Stock Appreciation Right after termination of employment or service.

(e) Exercise of Stock Appreciation Rights. When a Participant exercises a Stock Appreciation Right, the Participant shall receive in settlement of such Stock Appreciation Right an amount equal to the value of the Stock appreciation for the number of Stock Appreciation

Rights exercised. The Stock appreciation is the amount by which the Fair Market Value of the underlying shares of Stock on the date of exercise of the Stock Appreciation Right exceeds the Base Amount of the Stock Appreciation Right as specified in the Grant Letter. The Stock appreciation amount shall be paid in shares of Company Stock, cash or any combination of the two, as the Committee shall determine in the Grant Letter. For purposes of calculating the number of shares of Stock to be received, shares of Stock shall be valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right. Notwithstanding any provision in the Plan or Grant Letter to the contrary, unless the Committee determines otherwise, if a vested Stock Appreciation Right would terminate at a time when trading in Stock is prohibited by law or by the Company's insider trading policy, the vested Stock Appreciation Right may be exercised until the thirtieth (30th) day after expiration of such prohibition (but not beyond the end of the term of the Stock Appreciation Right).

12. Dividend Equivalents.

(a) General Requirements. When the Committee grants Stock Units or Performance Units under the Plan, the Committee may grant Dividend Equivalents in connection with such Grants under such terms and conditions as the Committee deems appropriate under this Section 12; provided that Dividend Equivalents with respect to Grants that are subject to performance conditions shall vest and be paid only if and to the extent the underlying Grants vest and are paid, as determined by the Committee. Dividend Equivalents may be paid to Participants currently or may be deferred, consistent with Section 409A of the Code, as determined by the Committee. All Dividend Equivalents that are not paid currently shall be credited to accounts on the Company's records for purposes of the Plan. Dividend Equivalents may be accrued as a cash obligation, or may be converted to Stock Units for the Participant, as determined by the Committee. Unless otherwise specified in the Grant Letter, deferred Dividend Equivalents will not accrue interest. The Committee may provide that Dividend Equivalents shall be payable based on the achievement of specific performance goals.

(b) Payment with Respect to Dividend Equivalents. Dividend Equivalents may be payable in cash or shares of Stock or in a combination of the two, as determined by the Committee in the Grant Letter.

13. Other Stock-Based Awards

The Committee may grant other awards that are based on, measured by or payable in Stock to Employees or Non-Employee Directors, on such terms and conditions as the Committee deems appropriate under this Section 13. Vesting of Other Stock-Based Awards shall be subject to the requirements described in Section 8(b). Other Stock-Based Awards may be granted subject to achievement of performance goals or other conditions and may be payable in Stock or cash, or in a combination of the two, as determined by the Committee in the Grant Letter.

14. Cash Awards

The Committee may grant Cash Awards, which are awards that are to be settled solely in cash to Employees or Non-Employee Directors, on such terms and conditions as the Committee

deems appropriate. Cash Awards may be granted subject to achievement of performance goals or other conditions as the Committee deems appropriate.

15. Qualified Performance-Based Compensation

(a) Designation as Qualified Performance-Based Compensation. The Committee may determine that Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards granted to an Employee shall be considered “qualified performance-based compensation” under Section 162(m) of the Code. The provisions of this Section 15 shall apply to any such Grants that are to be considered “qualified performance-based compensation” under Section 162(m) of the Code.

(b) Performance Goals. When Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards that are to be considered “qualified performance-based compensation” are granted, the Committee shall establish in writing (i) the objective performance goals that must be met, (ii) the period during which performance will be measured, (iii) the maximum amounts that may be paid if the performance goals are met, consistent with the limits of Section 5(d)(i) above, and (iv) any other conditions that the Committee deems appropriate and consistent with the requirements of Section 162(m) of the Code for “qualified performance-based compensation.” The performance goals shall satisfy the requirements for “qualified performance-based compensation,” including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the performance goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee shall not have discretion to increase the amount of compensation that is payable, but may reduce the amount of compensation that is payable, pursuant to Grants identified by the Committee as “qualified performance-based compensation.”

(c) Criteria Used for Objective Performance Goals. The Committee shall use objectively determinable performance goals based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, margin, EBITDA (earnings before interest, taxes, depreciation and amortization), net capital employed, return on assets, shareholder return, return on equity, return on capital employed, growth in assets, unit volume, sales, cash flow, market share, relative performance to a comparison group designated by the Committee, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, customer growth, geographic business expansion goals, cost targets, other operational targets, or goals relating to acquisitions or divestitures. The performance goals may relate to the Participant’s business unit or the performance of the Company as a whole, or any combination of the foregoing. Performance goals need not be uniform as among Participants.

(d) Timing of Establishment of Goals. The Committee shall establish the performance goals in writing either before the beginning of the performance period or during a period ending no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the date on which 25% of the performance period has been completed, or such other date as may be required or permitted under applicable regulations under Section 162(m) of the Code.

(e) Certification of Results. The Committee shall certify the performance results for the performance period specified in the Grant Letter after the performance period expires. The Committee shall determine the amount, if any, to be paid pursuant to each Grant based on the achievement of the performance goals and the satisfaction of all other terms of the Grant Letter.

(f) Impact of Extraordinary Items or Changes in Accounting. To the extent applicable, subject to the following sentence and unless the Committee determines otherwise, the determination of the achievement of performance goals shall be based on the relevant financial measure, computed in accordance with U.S. generally accepted accounting principles (“GAAP”), and in a manner consistent with the methods used in the Company’s audited financial statements. To the extent permitted by Section 162(m) of the Code, in setting the performance goals for “qualified performance-based compensation” within the period prescribed in subsection (d), the Committee may provide for adjustment as it deems appropriate, including for one or more of the following items: asset write-downs; litigation or claim judgments or settlements; changes in accounting principles; changes in tax law or other laws affecting reported results; changes in commodity prices; severance, contract termination, and other costs related to exiting, modifying or reducing any business activities; costs of, and gains and losses from, the acquisition, disposition, or abandonment of businesses or assets; gains and losses from the early extinguishment of debt; gains and losses in connection with the termination or withdrawal from a pension plan; stock compensation costs and other non-cash expenses; any extraordinary non-recurring items as described in applicable Accounting Principles Board opinions or in management’s discussion and analysis of financial condition and results of operation appearing in the Company’s annual report to stockholders for the applicable year; and any other specified non-operating items as determined by the Committee in setting performance goals.

(g) Death, Disability or Other Circumstances. The Committee may provide in the Grant Letter that Grants identified as “qualified performance-based compensation” shall be payable, in whole or in part, in the event of the Participant’s death or disability, a Change of Control or under other circumstances consistent with the Treasury regulations and rulings under Section 162(m) of the Code.

16. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Company may require that the Participant or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants, or the Company may deduct from other wages paid by the Company the amount of any withholding taxes due with respect to such Grants.

(b) Withholding of Shares. The Committee may determine that the Company’s tax withholding obligation with respect to Grants paid in Stock shall be satisfied by having shares of Stock withheld, at the time such Grants become taxable, up to an amount that does not exceed the minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities, or the Committee may allow Participants to elect to have such share withholding applied to particular Grants.

17. Transferability of Grants

Only the Participant may exercise rights under a Grant during the Participant's lifetime, and a Participant may not transfer those rights except by will or by the laws of descent and distribution. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant's will or under the applicable laws of descent and distribution.

18. Consequences of a Change of Control

(a) Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Grant Letter provides otherwise, or the Committee determines otherwise, all outstanding Grants that are not exercised or paid at the time of the Change of Control shall be assumed by, or replaced with Grants that have comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation).

(b) Other Alternatives. Notwithstanding the foregoing, in the event of a Change of Control, the Committee may take any of the following actions with respect to any or all outstanding Grants, without the consent of any Participant: (i) the Committee may determine that outstanding Options and Stock Appreciation Rights shall automatically accelerate and become fully exercisable, and the restrictions and conditions on outstanding Stock Awards shall immediately lapse; (ii) the Committee may determine that Participants shall receive a payment in settlement of outstanding Stock Units, Performance Units, Dividend Equivalents, Other Stock-Based Awards or Cash Awards, in such amount and form as may be determined by the Committee; (iii) the Committee may require that Participants surrender their outstanding Options and Stock Appreciation Rights in exchange for a payment by the Company, in cash or Stock as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Stock subject to the Participant's unexercised Options and Stock Appreciation Rights exceeds the Option Price or Base Amount, and (iv) after giving Participants an opportunity to exercise all of their outstanding Options and Stock Appreciation Rights, the Committee may terminate any or all unexercised Options and Stock Appreciation Rights at such time as the Committee deems appropriate. Such surrender, termination or payment shall take place as of the date of the Change of Control or such other date as the Committee may specify. Without limiting the foregoing, if the per share Fair Market Value of the Stock does not exceed the per share Option Price or Base Amount, as applicable, the Company shall not be required to make any payment to the Participant upon surrender of the Option or Stock Appreciation Right.

(c) Other Transactions. The Committee may provide in a Grant Letter that a sale or other transaction involving a Subsidiary or other business unit of the Company shall be considered a Change of Control for purposes of a Grant, or the Committee may establish other provisions that shall be applicable in the event of a specified transaction.

19. Requirements for Issuance of Shares

No Stock shall be issued in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance of such Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant made to any Participant hereunder on such Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Stock as the Committee shall deem necessary or advisable, and Certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be required by applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon. No Participant shall have any right as a shareholder with respect to Stock covered by a Grant until shares have been issued to the Participant.

20. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without approval of the shareholders of UGI if such approval is required in order to comply with the Code or applicable laws, or to comply with applicable stock exchange requirements. No amendment or termination of this Plan shall, without the consent of the Participant, materially impair any rights or obligations under any Grant previously made to the Participant under the Plan, unless such right has been reserved in the Plan or the Grant Letter, or except as provided in Section 21(d) below.

(b) No Repricing. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Grants may not be amended to reduce the Option Price of outstanding Options or the Base Amount of outstanding Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other awards or Options or Stock Appreciation Rights with an Option Price or Base Amount, as applicable, that is less than the Option Price or Base Amount, as applicable, of the original Options or Stock Appreciation Rights without shareholder approval.

(c) Shareholder Approval for "Qualified Performance-Based Compensation." If Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards are granted as "qualified performance-based compensation" under Section 15 above, the Plan must be reapproved by the UGI shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the provisions of Section 15, if additional Grants are to be made under Section 15 and if required by Section 162(m) of the Code or the regulations thereunder.

(d) Termination of Plan. The Plan shall terminate on January 23, 2023, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the shareholders. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant, nor shall it adversely affect outstanding Grants.

21. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or for other proper corporate purposes, or (ii) limit the right of the Company to grant stock options or make other stock-based awards outside of this Plan. Without limiting the foregoing, the Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company in substitution for a grant made by such corporation. The terms and conditions of the Grants may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives, as determined by the Committee.

(b) Reduction of Responsibilities. The Committee shall have discretion to adjust an Employee's outstanding Grants if the Employee's authority, duties or responsibilities are significantly reduced.

(c) Company Policies. All Grants made under the Plan shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time.

(d) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Stock under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Grants made under Section 15 of the Plan comply with the applicable provisions of Section 162(m) of the Code. To the extent that any legal requirement of Section 16 of the Exchange Act or Section 162(m) of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 162(m) of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to Participants. The Committee may, in its sole discretion, agree to limit its authority under this Section.

(e) Section 409A. The Plan is intended to comply with the requirements of Section 409A of the Code, to the extent applicable. All Grants shall be construed and administered such that the Grant either (i) qualifies for an exemption from the requirements of Section 409A of the Code or (ii) satisfies the requirements of Section 409A of the Code. If a Grant is subject to Section 409A of the Code, (i) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (ii) payments to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A of the Code, (iii) payments to be made upon a Change of Control shall only be made upon a "change of control event" under Section 409A of the Code, (iv) unless the Grant specifies otherwise, each

payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (v) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. Any Grant granted under the Plan that is subject to Section 409A of the Code and that is to be distributed to a key employee (as defined below) upon separation from service shall be administered so that any distribution with respect to such Grant shall be postponed for six months following the date of the Participant's separation from service, if required by Section 409A of the Code. If a distribution is delayed pursuant to Section 409A of the Code, the distribution shall be paid within 30 days after the end of the six-month period. If the Participant dies during such six-month period, any postponed amounts shall be paid within 90 days of the Participant's death. The determination of key employees, including the number and identity of persons considered key employees and the identification date, shall be made by the Committee or its delegate each year in accordance with Section 416(i) of the Code and the "specified employee" requirements of Section 409A of the Code.

(f) Enforceability. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(g) Funding of the Plan; Limitation on Rights. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under this Plan. Nothing contained in the Plan and no action taken pursuant hereto shall create or be construed to create a fiduciary relationship between the Company and any Participant or any other person. No Participant or any other person shall under any circumstances acquire any property interest in any specific assets of the Company. To the extent that any person acquires a right to receive payment from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) Rights of Participants. Nothing in this Plan shall entitle any Employee, Non-Employee Director or other person to any claim or right to receive a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employment or service of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Grant. The Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Employees Subject to Taxation Outside the United States. With respect to Participants who are subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(k) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Letters issued under the Plan shall be governed and construed by and determined in

accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof.

Exhibit A

**UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
EFFECTIVE AS OF SEPTEMBER 5, 2014**

For purposes of the Plan, the term “Change of Control,” and other defined terms used in the definition of “Change of Control,” 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. 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 3 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. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

5. “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
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AND
SUPPLEMENTAL SAVINGS PLAN

As amended and restated effective April 1, 2015

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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 was amended and restated effective as of November 22, 2013, except where otherwise indicated, and is hereby amended and restated effective as of April 1, 2015.

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 April 1, 2015, 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

PARTICIPATIONSec. 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.

(e) Notwithstanding the foregoing, no Employee who is hired or rehired by UGI or an Affiliate on or after January 1, 2009, or who is transferred on or after January 1, 2009 into Employee status from an Affiliate that does not participate in this SERP, shall become a Participant in this SERP on or after January 1, 2009.

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 published six-month Treasury bill rate in effect for the month in which the Participant's termination date occurs plus 50 basis points.

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 COMMITTEESec. 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 April 1, 2015, 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.

(d) Notwithstanding the foregoing, no Employee who is hired or rehired by UGI or an Affiliate on or after January 1, 2009, or who is transferred on or after January 1, 2009 into Employee status from an Affiliate that does not participate in this SSP, shall become a Participant in this SSP on or after January 1, 2009.

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

VESTINGSec. 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

BENEFITSSec. 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 published six-month Treasury bill rate in effect for the month in which the Participant's termination date occurs plus 50 basis points.

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 COMMITTEESec. 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:

(D) 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

(E) 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

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

I. Purpose. The purpose of the UGI Utilities, Inc. Executive Annual Bonus Plan (the “Plan”) is to provide a means whereby UGI Utilities, Inc. (the “Company”) may provide incentive compensation to its eligible employees to serve as an incentive for employee performance and retention. The Plan is intended to encourage eligible employees to contribute to the overall success of the Company. The Plan is part of a total compensation structure under which a meaningful portion of eligible employees’ total compensation is based on achievement of performance goals relating to the eligible employees’ business and/or area of responsibility. The Plan was originally effective as of October 1, 2006, was amended and restated as of November 16, 2012, and is hereby amended and restated as of November 15, 2018.

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

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

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

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

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

2.5 “*Company*” means UGI Utilities, Inc., a Pennsylvania corporation, or any successor thereto.

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

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

2.8 “*Equity Plan*” means the UGI Corporation 2013 Omnibus Incentive Compensation Plan, as in effect from time to time, or a successor plan.

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

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

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

2.12 “*Senior Management*” means those Eligible Employees who are designated as executive officers by the Board pursuant to Rule 3b-7 of the rules promulgated pursuant to the Securities Exchange Act of 1934, as amended.

2.13 “*Stock Award*” shall have the meaning given that term under the Equity Plan.

III. Annual Bonus.

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

3.2 Performance Goals.

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

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

(c) **Weighting; Leverage Tables.** At the time the Committee establishes performance goals for each Fiscal Year, the Committee shall determine the weighting for each Participant with respect to the business and financial performance goals and the individual goals, as applicable, for the Fiscal Year. At such time, the Committee shall also determine the leverage tables, which shall set forth the percentage of the target bonus that may become payable based on the achievement of the performance goals, subject to the eligibility and other conditions of

payment as set forth in the Plan. The leverage tables and weighting of the goals need not be uniform as to all Participants.

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

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

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

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

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

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

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

3.5 Payment of Annual Bonus. Each annual bonus for a Fiscal Year shall be paid to the Participant in a single lump sum payment between September 30 and December 31 of the calendar year in which the Fiscal Year ends, except as provided below. Annual bonuses for a Fiscal Year shall be paid in cash; provided that the Committee may determine that part or all of a

Participant's annual bonus shall be paid in the form of a Stock Award under the Equity Plan. Unless the Committee determines otherwise, to the extent that an officer of the Company who is subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, shall not have satisfied any ownership requirement then applicable to such officer, as set forth in the UGI Corporation Stock Ownership Policy, up to 10% of the gross amount of the officer's annual bonus shall be paid in fully vested Stock Awards under the Equity Plan.

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

IV. Termination of Employment.

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

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

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

4.4 In determining whether to pay any bonus under Section 4.2 and 4.3 above, the Committee may take into account factors such as Company performance, individual performance, and the portion of the year elapsed prior to termination. The annual bonus payable under Section 4.2 or 4.3, if any, shall be paid within 60 days after the date of termination, death or disability, as applicable (and not later than the date on which bonuses for the applicable Fiscal Year are paid to other Participants), subject to any conditions that may be imposed by the Committee, including execution of a release of claims.

V. Administration.

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

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

VI. General Provisions.

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

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

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

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

6.5 **Section 409A.** The Plan is intended to comply with the short-term deferral rule set forth in the regulations under section 409A of the Code, in order to avoid application of section 409A to the Plan. If and to the extent that any payment under this Plan is deemed to be deferred compensation subject to the requirements of section 409A, this Plan shall be administered so that such payments are made in accordance with the requirements of section

409A. Any payment from the Plan that is subject to the requirements of section 409A may only be made in a manner and upon an event permitted by section 409A, including the requirement that deferred compensation payable to a “specified employee” of a publicly traded company be postponed for six months after separation from service or death, if earlier. Payments upon termination of employment may only be made upon a “separation from service” under section 409A. For purposes of section 409A, each payment shall be treated as a separate payment. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under the Plan, and if a payment that is subject to section 409A is conditioned on the execution of a release of claims, and such payment could be made in more than one taxable year, payment shall be made in the later taxable year.

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

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

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