

UGI CORP /PA/  
Form DEF 14A  
December 11, 2015  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**UGI Corporation**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

## Edgar Filing: UGI CORP /PA/ - Form DEF 14A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**Notice of January 28, 2016**

**Annual Meeting and**

**Proxy Statement**

**Table of Contents**

BOX 858 VALLEY FORGE, PA 19482 610-337-1000

**LON R. GREENBERG**

**Chairman**

December 11, 2015

Dear Shareholder,

On behalf of our entire Board of Directors, I cordially invite you to attend our Annual Meeting of Shareholders on Thursday, January 28, 2016. At the meeting, we will review UGI's performance for the 2015 fiscal year and our expectations for the future.

I would like to take this opportunity to remind you that your vote is important. On December 11, 2015, we mailed our shareholders a notice containing instructions on how to access our 2015 proxy statement and annual report and vote online. Please read the proxy materials and take a moment now to vote online or by telephone as described in the proxy voting instructions. Of course, if you received these proxy materials by mail, you may also vote by completing the proxy card and returning it by mail.

I look forward to seeing you on January 28th and addressing your questions and comments.

Sincerely,

Lon R. Greenberg

---

**Table of Contents**

BOX 858 VALLEY FORGE, PA 19482 610-337-1000

December 11, 2015

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of UGI Corporation will be held on Thursday, January 28, 2016, at 10:00 a.m., at The Desmond Hotel and Conference Center, Ballrooms A and B, One Liberty Boulevard, Malvern, Pennsylvania. Shareholders will consider and take action on the following matters:

1. election of nine directors to serve until the next annual meeting of Shareholders;
2. a non-binding advisory vote on a resolution to approve UGI Corporation's executive compensation;
3. ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for Fiscal 2016; and
4. transaction of any other business that is properly raised at the meeting.

Monica M. Gaudiosi

*Corporate Secretary*

***Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on January 28, 2016:***

This Proxy Statement and the Company's 2015 Annual Report are available at [www.ugicorp.com](http://www.ugicorp.com).

**Table of Contents**

**TABLE OF CONTENTS**

<u>PROXY SUMMARY</u>	1
<u>QUESTIONS AND ANSWERS ABOUT PROXY MATERIALS , ANNUAL MEETING AND VOTING</u>	3
<u>ITEM 1 ELECTION OF DIRECTORS</u>	6
<u>NOMINEES</u>	6
<u>CORPORATE GOVERNANCE</u>	11
<u>CORPORATE GOVERNANCE PRINCIPLES</u>	11
<u>DIRECTOR INDEPENDENCE</u>	11
<u>BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK MANAGEMENT</u>	11
<u>BOARD MEETINGS AND ATTENDANCE</u>	12
<u>BOARD AND COMMITTEE STRUCTURE</u>	12
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	14
<u>SELECTION OF BOARD CANDIDATES</u>	14
<u>DIRECTOR STOCK OWNERSHIP GUIDELINES</u>	14
<u>CODE OF ETHICS</u>	15
<u>INVESTOR OUTREACH</u>	15
<u>COMMUNICATIONS WITH THE BOARD</u>	15
<u>COMPENSATION OF DIRECTORS</u>	16
<u>POLICY FOR APPROVAL OF RELATED PERSON TRANSACTIONS</u>	17
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	18
<u>OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	19
<u>REPORT OF THE COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE OF THE BOARD OF DIRECTORS</u>	20
<u>EXECUTIVE COMPENSATION</u>	
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	20
<u>EXECUTIVE SUMMARY</u>	21
<u>COMPENSATION PHILOSOPHY AND OBJECTIVES</u>	27
<u>DETERMINATION OF COMPETITIVE COMPENSATION</u>	27
<u>ELEMENTS OF COMPENSATION</u>	28
<u>STOCK OWNERSHIP GUIDELINES</u>	39

<u>EXECUTIVE COMPENSATION TABLES</u>	41
<u>BENEFICIAL OWNERSHIP</u>	57
<u>ITEM 2 ADVISORY VOTE ON UGI CORPORATION'S EXECUTIVE COMPENSATION</u>	58
<u>ITEM 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	60
<u>ITEM 4 OTHER MATTERS</u>	60
<u>DIRECTIONS TO THE DESMOND HOTEL AND CONFERENCE CENTER</u>	61

**Table of Contents**

**2015 PROXY SUMMARY**

*This summary highlights information contained elsewhere in this Proxy Statement. The summary does not contain all of the information that you should consider. Please read the entire Proxy Statement carefully before voting.*

***Annual Meeting of Shareholders***

**Time and Date:** 10:00 a.m. (Eastern Time), January 28, 2016

**Place:** The Desmond Hotel and Conference Center, Ballrooms A & B

One Liberty Boulevard, Malvern, Pennsylvania

**Record Date:** November 12, 2015

**Voting:** Shareholders as of the close of business on the record date are entitled to vote. Each share of common stock is entitled to one vote for each matter to be voted on.

***Voting Matters and Board Recommendations***

1. Election of nine directors;
2. Non-binding advisory vote on a resolution to approve the compensation of our named executive officers; and
3. Ratification of Ernst & Young LLP as our independent registered public accounting firm for Fiscal 2016.

UGI Corporation's Board of Directors recommends that you vote **FOR** the election of each of the director-nominees and **FOR** Proposals 2 and 3.

***Corporate Governance and Executive Compensation Practices:***

Annual election of all directors



Majority voting with a director resignation policy for directors not receiving a majority of votes cast in uncontested elections

Majority of directors are independent

Separation of Chairman and Chief Executive Officer; independent Presiding Director

Regularly scheduled executive sessions of non-management directors

Meaningful director and executive officer stock ownership requirements

Independent Board Committees (except for the Executive Committee), each with authority to retain independent advisors

Termination of employment is required for payment under change-in-control agreements ( double trigger )  
Compensation and Management Development Committee advised by independent compensation consultant

Annual limit of \$500,000 on individual director equity awards adopted in Fiscal 2015

A substantial portion of executive compensation is allocated to performance-based compensation, including long-term awards, in order to align executive officers' interests with shareholders' interests and to enhance long-term performance

Recoupment policy for incentive-based compensation paid or awarded to current and former executive officers in the event of a restatement of financial results due to material non-compliance with any financial reporting requirement

Policy against hedging and pledging of Company securities by directors and officers

**Table of Contents**

***Advisory Vote to Approve Named Executive Officer Compensation***

We are asking shareholders to approve, on an advisory basis, UGI Corporation's executive compensation, including our executive compensation policies and practices and the compensation of our named executive officers, as described in this Proxy Statement beginning on page 20.

- ii **At our 2015 Annual Meeting, over 96% of our shareholders voted to approve the compensation of our named executive officers.**

This result clearly demonstrated strong support for our executive compensation policies and practices and the alignment of executive pay to Company performance.

The Board of Directors recommends a **FOR** vote because it believes that the Company's compensation policies and practices are effective in achieving UGI Corporation's goals of paying for performance and aligning the executives' long-term interests with those of our shareholders.

***Objectives and Components of Our Compensation Program***

The compensation program for our named executive officers is designed to provide a competitive level of total compensation necessary to attract and retain talented and experienced executives. Additionally, our compensation program is intended to motivate and encourage our executives to contribute to our success and reward our executives for leadership excellence and

performance that promotes sustainable growth in shareholder value.

In Fiscal 2015, the components of our executive compensation program included salary, annual bonus awards, long-term incentive compensation (performance unit awards and UGI Corporation stock option grants), limited perquisites, retirement benefits and other benefits, all as described in greater detail in the Compensation Discussion and Analysis of this Proxy Statement. We believe that the elements of our compensation program are essential components of a balanced and competitive compensation program to support our annual and long-term goals.

***Pay for Performance***

Our executive compensation program allows the Compensation and Management Development Committee and the Board to determine pay based on a comprehensive view of quantitative and qualitative factors designed to enhance shareholder value and align the long-term interests of executives and shareholders.

For example, for the 2012-2014 performance period, UGI Corporation's total shareholder return compared to its peer group was in the 97<sup>th</sup> percentile and Mr. Walsh received a performance unit payout of \$3,036,515 during Fiscal 2015. For the 2011-2013 performance period, UGI Corporation's total shareholder return compared to its peer group was in the 50<sup>th</sup> percentile and Mr. Walsh received a performance unit payout of \$1,250,970 during Fiscal 2014. For additional information on the alignment between our financial results and executive officer compensation, see the Compensation Discussion and Analysis.

- 2 -

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT PROXY MATERIALS, ANNUAL MEETING AND VOTING**

This proxy statement contains information related to the Annual Meeting of Shareholders of UGI Corporation (the Company ) to be held on Thursday, January 28, 2016, beginning at 10:00 a.m., at The Desmond Hotel and Conference Center, Ballrooms A and B, One Liberty Boulevard, Malvern, Pennsylvania, and at any postponements or adjournments thereof. Directions to The Desmond Hotel and Conference Center appear on page 61. This proxy statement was prepared under the direction of the Company's Board of Directors to solicit your proxy for use at the Annual Meeting. It was made available to shareholders on or about December 11, 2015.

***Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of printed proxy materials?***

The Company has elected to provide access to the proxy materials over the Internet. We believe that this initiative enables the Company to provide proxy materials to shareholders more quickly, reduces the impact of our Annual Meeting on the environment, and reduces costs.

***Who is entitled to vote?***

Only shareholders of record at the close of business on November 12, 2015, the record date, are entitled to vote at the Annual Meeting. On November 12, 2015, there were 172,510,091 shares of common stock outstanding. Each shareholder has one vote per share on all matters to be voted on.

***What am I voting on?***

You are voting on:

*Proposal 1* the election of nine nominees to serve on the Company's Board of Directors,

*Proposal 2* a non-binding advisory vote on the Company's executive compensation,

*Proposal 3* ratification of the appointment of our independent registered public accounting firm for the fiscal year ending September 30, 2016, and

any other business properly coming before the meeting.

***How do I vote?***

Voting instructions appear on the proxy card. You may vote in one of three ways:

**Over the Internet**

*If your shares are registered in your name:* Vote your shares over the Internet by accessing the Computershare proxy online voting website at: [www.envisionreports.com/UGI](http://www.envisionreports.com/UGI) and following the on-screen instructions. You will need the control number that appears on your Notice of Availability of Proxy Materials when you access the web page.

*If your shares are held in the name of a broker, bank or other nominee:* Vote your shares over the Internet by following the voting instructions that you receive from such broker, bank or other nominee.

**By Telephone**

*If your shares are registered in your name:* Vote your shares over the telephone by accessing the telephone voting system toll-free at 800-652-8683 and following the telephone voting instructions. The telephone instructions will lead you through the voting process. You will need the control number that appears on your Notice of Availability of Proxy Materials when you call.

*If your shares are held in the name of a broker, bank or other nominee:* Vote your shares over the telephone by following the voting instructions you receive from such broker, bank or other nominee.

**By Mail**

*If you received these annual meeting materials by mail:* Vote by signing and dating the proxy card(s) and returning the card(s) in the prepaid envelope. Also, you can vote online or by using a toll-free telephone number.

**Table of Contents**

***How can I vote my shares held in the Company's Employee Savings Plans?***

You can instruct the trustee for the Company's Employee Savings Plans to vote the shares of stock that are allocated to your account in the UGI Stock Fund. If you do not vote your shares, the trustee will vote them in proportion to those shares for which the trustee has received voting instructions from participants.

***How can I change my vote?***

You can change or revoke your vote at any time before polls close at the 2016 Annual Meeting:

If you returned a paper proxy card, you can write to the Company's Corporate Secretary at our principal offices, 460 North Gulph Road, King of Prussia, Pennsylvania 19406, stating that you wish to revoke your proxy and that you need another proxy card.

You can vote again, either over the Internet or by telephone.

If you hold your shares through a broker, bank or other nominee, you can revoke your proxy by contacting the broker, bank or other nominee and follow its procedure for revocation.

If you attend the meeting, you may vote by ballot, which will cancel your previous proxy vote. However, if your shares are held through a broker, bank or other nominee, and you wish to vote by ballot at the meeting, you will need to contact your bank, broker or other nominee to obtain a legal proxy form that you must bring with you to the meeting to exchange for a ballot.

Your last vote is the vote that will be counted.

***What is a quorum?***

A quorum is the presence at the meeting, in person or represented by proxy, of the holders of a majority of the outstanding shares entitled to vote. A quorum of the holders of the outstanding shares must be present for the Annual Meeting to be held. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum.

***How are votes, abstentions and broker non-votes counted?***

Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum, but are not considered a vote cast under Pennsylvania law.

When a broker, bank or other nominee holding shares on your behalf does not receive voting instructions from you, the broker, bank or other nominee may vote those shares only on matters deemed routine by the New York Stock Exchange. On non-routine matters, the broker, bank or other nominee cannot vote those shares unless they receive voting instructions from the beneficial owner. A broker non-vote means that a broker has not received voting instructions and either declines to exercise its discretionary authority to vote on routine matters or is barred from doing so because the matter is non-routine.

As a result, abstentions and broker non-votes are not included in the tabulation of the voting results on issues requiring approval of a majority of the votes cast and, therefore, do not have the effect of votes in opposition in such tabulation.

***What vote is required to approve each item?***

The director-nominees will be elected by a majority of the votes cast at the Annual Meeting. Under the Company's Bylaws and Principles of Corporate Governance, Directors must be elected by a majority of the votes cast in uncontested elections, such as the election of Directors at the Annual Meeting. This means that a director-nominee will be elected to the Company's Board of Directors if the votes cast FOR such Director nominee exceed the votes cast AGAINST him or her. In addition, an incumbent Director will be required to tender his or her resignation if a majority of the votes cast are not in his or her favor in an uncontested election of Directors. The Corporate Governance Committee would then be required to recommend to the Board of Directors whether to accept the incumbent Director's resignation, and the Board will have ninety (90) days from the date of the election to determine whether to accept such resignation.

**Table of Contents**

The approval, by advisory vote, of the Company's executive compensation requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the 2016 Annual Meeting. This vote is advisory in nature and therefore not binding on UGI Corporation, the Board of Directors or the Compensation and Management Development Committee. However, our Board of Directors and the Compensation and Management Development Committee value the opinions of the Company's shareholders and will consider the outcome of this vote in their future deliberations on the Company's executive compensation programs.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for Fiscal 2016 requires the affirmative vote of a majority of the votes cast at the meeting to be approved.

***Who will count the vote?***

Computershare Inc., our Transfer Agent, will tabulate the votes cast by proxy or in person at the Annual Meeting.

***What are the deadlines for Shareholder proposals for next year's Annual Meeting?***

Shareholders may submit proposals on matters appropriate for shareholder action as follows:

Shareholders who wish to include a proposal in the Company's proxy statement for the 2017 annual meeting must comply in all respects with the rules of the U.S. Securities and Exchange Commission (SEC) relating to such inclusion and must submit the proposals to the Corporate Secretary at our principal offices, 460 North Gulph Road, King of Prussia, Pennsylvania 19406, no later than August 13, 2016.

With respect to shareholder proposals that are not intended for inclusion in the Company's proxy materials for the 2017 annual meeting, if such a proposal is raised at the meeting, the proxy holders will have discretionary authority to vote on the matter if the Company does not receive notice of the proposal by October 27, 2016 or, if the proposal is so received by October 27, 2016, either the Company does not include advice on the nature of the matter and how the proxy holders intend to vote on the proposal or the proposal is made in connection with certain proxy contests. All proposals and notifications should be addressed to the Corporate Secretary at our principal offices, 460 North Gulph Road, King of Prussia, Pennsylvania 19406.

***How much did this proxy solicitation cost?***

The Company has engaged Georgeson Inc. to solicit proxies for the Company for a fee of \$7,500 plus reasonable expenses for additional services. We also reimburse banks, brokerage firms and other institutions, nominees, custodians and fiduciaries for their reasonable expenses for sending proxy materials to beneficial owners and obtaining their voting instructions. Certain Directors, officers and regular employees of the Company and its subsidiaries may solicit proxies personally or by telephone or facsimile without additional compensation.



**Table of Contents**

**ITEM 1 ELECTION OF DIRECTORS**

**NOMINEES**

Nine directors have been nominated by the Board of Directors to stand for election as directors at the Annual Meeting of Shareholders based upon recommendations from the Corporate Governance Committee. Each director-nominee has consented to serve, if elected, until the next annual meeting or until his or her earlier resignation or removal. If any director-nominee is not available for election, proxies will be voted for another person nominated by the Board of Directors or the size of the Board will be reduced. Other than James B. Stallings, Jr., who was elected by the Board of Directors to serve as a Director effective September 28, 2015, all of the director-nominees were elected to the Board by our shareholders. The Board of Directors has unanimously nominated M. Shawn Bort (formerly Puccio), Richard W. Gochnauer, Frank S. Hermance, Ernest E. Jones, Anne Pol, Marvin O. Schlanger, James B. Stallings, Jr., Roger B. Vincent and John L. Walsh for re-election as directors at the Annual Meeting. Lon R. Greenberg previously announced his intention to retire as the Non-Executive Chairman of the Company's Board of Directors effective as of the 2016 Annual Meeting of Shareholders on January 28, 2016.

***Information about Director-Nominees***

For each of the director-nominees standing for re-election, below is biographical information, as well as a description of the specific experience, qualifications, attributes and skills that led the Board to conclude that, in light of the Company's business and structure, the individual should serve as a director. The Board believes that each director-nominee has valuable individual skills and experience that, taken as a whole, provide the depth of knowledge, judgment and strategic vision necessary to provide effective oversight of the Company.

**The Board of Directors recommends that you vote FOR the election of each of the nine nominees for director.**

**M. SHAWN BORT**

Retired Senior Vice President, Finance, Saint-Gobain Corporation

Director since 2009

Age 53

Member, Audit Committee

Member, Safety, Environmental and Regulatory Compliance Committee

Ms. Bort was Senior Vice President, Finance of Saint-Gobain Corporation, the North American business of Compagnie de Saint-Gobain (a global manufacturer and distributor of flat glass, building products, glass containers

and high performance materials) from 2006 until her retirement in May 2015. Ms. Bort was formerly Vice President, Finance (2005 to 2006) and Vice President, Internal Control Services (2002 to 2005) of Saint-Gobain. Prior to joining Saint-Gobain, she was a partner with PricewaterhouseCoopers LLP, a public accounting firm (1997 to 2002), having joined Price Waterhouse in 1984. Ms. Bort also serves as a Director of UGI Utilities, Inc., a subsidiary of the Company.

Ms. Bort's qualifications to serve as a director include her senior financial executive management experience with a global company and her extensive public accounting knowledge and experience. Her education (Ms. Bort has a bachelor's degree in accounting from Marquette University and a Master of Business Administration degree in finance and operations management from the Wharton School of the University of Pennsylvania) and experience provide her with financial expertise and a well-developed awareness of financial strategy, asset management and risk management. Ms. Bort also possesses international experience by virtue of her former executive position at a large global company.

**Table of Contents**

**RICHARD W. GOCHNAUER**

Retired Chief Executive Officer, United Stationers, Inc.

Director since 2011

Age 66

Member, Audit Committee

Member, Corporate Governance Committee

Mr. Gochnauer retired in May 2011 as Chief Executive Officer and Director of United Stationers Inc. (a wholesale distributor of business products) (2002 to 2011). He previously served as President and Chief Operating Officer and Vice Chairman and President, International, of Golden State Foods Corporation (a food service industry supplier) (1994 to 2002). Mr. Gochnauer also serves as a Director of AmerisourceBergen Corporation (a wholesale distributor of business products in the U.S. and internationally), Golden State Foods Corporation (a diversified supplier to the foodservice industry), and UGI Utilities, Inc., a subsidiary of the Company.

Mr. Gochnauer's qualifications to serve as a director include his extensive senior management experience as Chief Executive Officer of a large public company and his operational, strategic planning, technology, and business development expertise. Mr. Gochnauer's education (Mr. Gochnauer has a Bachelor of Science degree from Northwestern University and a Master of Business Administration from Harvard University) and experience provide him with financial expertise.

**FRANK S. HERMANCE**

Chairman and CEO, AMETEK, Inc.

Director since 2011

Age 66

Chair, Safety, Environmental and Regulatory Compliance Committee

Member, Compensation and Management Development Committee

Mr. Hermance is Chairman of the Board (since 2001) and Chief Executive Officer (since 1999) of AMETEK, Inc. (a global manufacturer of electronic instruments and electromechanical devices). He previously served as President and Chief Operating Officer of AMETEK, Inc. (1996 to 1999). Mr. Hermance is a member of the Board of Trustees of the Rochester Institute of Technology. He also serves as a Director of UGI Utilities, Inc., a subsidiary of the Company, and as a Director of the Greater Philadelphia Alliance for Capital and Technologies. He previously served as a Director of IDEX Corporation, ending in April 2012.

Mr. Hermance's qualifications to serve as a director include his extensive senior management experience in the roles of Chairman, Chief Executive Officer, President and Chief Operating Officer of a large global public company. Mr. Hermance also provides relevant experience in the areas of corporate governance, mergers and acquisitions, human resources management, logistics, distribution, risk management and executive compensation. As an executive of a company with global operations, Mr. Hermance also provides the Board with international experience.

**Table of Contents**

**ERNEST E. JONES**

President, EJones Consulting, LLC and

Former President and CEO, Philadelphia Workforce Development Corp.

Director since 2002

Age 71

Chair, Corporate Governance Committee

Member, Compensation and Management Development Committee

Mr. Jones is President of EJones Consulting, LLC (since 2011) (a company that provides management consulting services to non-profit organizations). He retired from his position as President and Chief Executive Officer of Philadelphia Workforce Development Corporation (an agency that funds, coordinates and implements employment and training activities in Philadelphia, Pennsylvania) in 2010, having served in that capacity since 1998. He formerly served as President and Executive Director of the Greater Philadelphia Urban Affairs Coalition (1983 to 1998) and as Executive Director of Community Legal Services, Inc. (1977 to 1983). Mr. Jones also serves as a Director of the African American Museum in Philadelphia, the Philadelphia Contributionship, Vector Security, Inc. and UGI Utilities, Inc., a subsidiary of the Company. He previously served as a Director of PARADIGM Global Advisors LLC and Thomas Jefferson University.

Mr. Jones' qualifications to serve as a director include his extensive experience managing government and non-profit organizations as Chief Executive Officer, his public and private company directorship experience and his insight into workforce, compensation, regulatory, banking and legal issues. Mr. Jones possesses a critical understanding of the Company's business operations, strategic growth opportunities, and corporate governance matters.

**ANNE POL**

Retired President and Chief Operating Officer, Trex Enterprises Corp.

Director 1993 through 1997 and since 1999

Age 68

Member, Compensation and Management Development Committee

Member, Safety, Environmental and Regulatory Compliance Committee

Mrs. Pol retired in 2005 as President and Chief Operating Officer of Trex Enterprises Corporation (a high-technology research and development company), a position she had held since 2001. She previously served as Senior Vice President (1998 to 2001) and Vice President (1996 to 1998) of Thermo Electron Corporation (an environmental monitoring and analytical instruments company and a major producer of recycling equipment, biomedical products and alternative energy systems). Mrs. Pol also served as President of Pitney Bowes Shipping and Weighing Systems Division, a business unit of Pitney Bowes Inc. (a mailing and related business equipment company) (1993 to 1996); Vice President of New Product Programs in the Mailing Systems Division of Pitney Bowes Inc. (1991 to 1993); and Vice President of Manufacturing Operations in the Mailing Systems Division of Pitney Bowes Inc. (1990 to 1991). Mrs. Pol also serves as a Director of UGI Utilities, Inc. and AmeriGas Propane, Inc., both of which are subsidiaries of UGI Corporation.

Mrs. Pol's qualifications to serve as a director include her strategic planning, business development and technology experience as a senior-level executive with a diversified high-technology company. Mrs. Pol also possesses an important understanding of, and extensive experience in, the areas of executive compensation, human resource management, corporate governance and government regulation.

**Table of Contents**

**MARVIN O. SCHLANGER**

Principal, Cherry Hill Chemical Investments, L.L.C.

Director since 1998

Age 67

Presiding Director

Chair, Compensation and Management Development Committee

Chair, Executive Committee

Member, Corporate Governance Committee

Mr. Schlanger is a Principal in the firm of Cherry Hill Chemical Investments, L.L.C. (a management services and capital firm for chemical and allied industries) (since 1998). Mr. Schlanger served as Chief Executive Officer of CEVA Holdings BV and CEVA Holdings, LLC, an international logistics supplier (2012 to 2013). As previously announced, Mr. Schlanger has been elected to serve as Chairman of the Board, effective upon Mr. Greenberg's retirement, and subject to his election as a Director at the Company's Annual Meeting of Shareholders. Mr. Schlanger is currently a director of AmeriGas Propane, Inc., and UGI Utilities, Inc., both of which are subsidiaries of UGI Corporation. He is also a director of CEVA Holdings, LLC, where he serves as chairman, Hexion, Inc., and Momentive Performance Materials, Inc.

Mr. Schlanger's qualifications to serve as a director include his senior management, strategic planning, business development, risk management, and general operations experience throughout his career as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Arco Chemical Company, a large public company. By virtue of his senior executive leadership at companies with global operations, Mr. Schlanger also provides the Board with international experience. The Board also considered Mr. Schlanger's experience serving as chairman, director and committee member on the boards of directors of large public and private international companies.

**JAMES B. STALLINGS, JR.**

Managing Partner, PS27 Ventures, LLC

Director since 2015

Age 60

Mr. Stallings is Managing Partner of PS27 Ventures, LLC, a private investment fund focused on technology companies (since January 2013). Mr. Stallings retired from International Business Machines Corporation (IBM) (a global provider of information technology and services) as General Manager of Global Markets, Systems and Technology, a position he had held since 2009. From 2002 to 2009, Mr. Stallings held a number of senior executive leadership positions at IBM in the technology, mainframe, software and intellectual property areas. He was founder, Chairman and CEO of E House (a consumer technology company) from 2000 to 2002. Previously he was Executive Vice President, Physician Sales & Services, Inc. (a medical products supplier) from 1996 to 2000. Mr. Stallings currently serves as a director of Fidelity National Information Services Corporation (FIS) (a global provider of banking and payment technology, consulting and outsourcing solutions) and as a director of UGI Utilities, Inc., a subsidiary of the Company.

Mr. Stallings' qualifications to serve as a director include his expertise and extensive experience managing enterprise-wide global technology and information systems, including responsibility for profit and loss statements. The Board also considered his strong leadership, operations experience, strategic planning, and business development expertise, as well as his investment committee experience at a venture capital company. By virtue of his other board service, Mr. Stallings possesses experience with board-level risk oversight, corporate governance and banking issues.



**Table of Contents**

**ROGER B. VINCENT**

Retired President, Springwell Corporation

Director since 2006

Age 70

Chair, Audit Committee

Member, Executive Committee

Mr. Vincent retired in 2011 from his position as President of Springwell Corporation, a corporate finance advisory firm he founded in 1989. Prior to 1989, Mr. Vincent held various positions at Bankers Trust Company, including managing director. Mr. Vincent serves as Trustee and Former Chairman of the Board of the VOYA Funds and as a Director of UGI Utilities, Inc., a subsidiary of the Company. He previously served as a Director of AmeriGas Propane, Inc., a subsidiary of the Company, from 1998 to 2006.

Mr. Vincent's qualifications to serve as a director include his extensive experience as founder and senior executive of a corporate finance advisory firm, as well as his prior experience as a managing partner at a major banking institution. In addition, the Board considered Mr. Vincent's many years serving as a director and trustee at various funds of a registered investment company, his service as a member or chair of the audit committees for public companies and funds, and his investment banking, capital market and financial expertise. Mr. Vincent's education (Mr. Vincent has a bachelor's degree in mathematics and engineering from Yale University and a Master of Business Administration degree with a concentration in finance from Harvard University) and experience provide him with financial expertise.

**JOHN L. WALSH**

President and Chief Executive Officer

Director since 2005

Age 60

Member, Executive Committee

Mr. Walsh is a Director and President (since 2005) and Chief Executive Officer (since 2013) of UGI Corporation. In addition, Mr. Walsh serves as a Director and Vice Chairman of AmeriGas Propane, Inc. (since 2005) and UGI

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

Mr. Walsh's qualifications to serve as a director include his extensive strategic planning, operational and executive leadership experience as the Company's CEO and President, his previous service as the Company's Chief Operating Officer, and his prior senior management experience with a global public company. Mr. Walsh has in-depth knowledge of the Company's businesses, competition, risks, and health, environmental and safety issues. Mr. Walsh, by virtue of his current position and his previous position at a multinational industrial gas company, possesses international experience, as well as management development and compensation experience.

## **Table of Contents**

### **CORPORATE GOVERNANCE**

#### ***Corporate Governance Principles***

The business of UGI Corporation is managed under the direction of the Board of Directors. As part of its duties, the Board oversees the corporate governance of the Company for the purpose of creating long-term value for its shareholders and safeguarding its commitment to its other stakeholders: our employees, our customers, our suppliers and creditors, and the communities in which we do business. To accomplish this purpose, the Board considers the interests of the Company's shareholders when, together with management, it sets the strategies and objectives of the Company.

The Board, recognizing the importance of good corporate governance in carrying out its responsibilities to our shareholders, has adopted the UGI Corporation Principles of Corporate Governance. The Principles of Corporate Governance provide a framework for the effective governance of the Board and the Company by outlining the responsibilities of the Board and Board Committees. The Board, upon recommendation of the Governance Committee, regularly reviews the Principles and, as appropriate, updates them in response to changing regulatory requirements, feedback from shareholders on governance matters and evolving best practices in corporate governance.

The full text of the Company's Principles of Corporate Governance can be found on the Company's website, [www.ugicorp.com](http://www.ugicorp.com), under Investor Relations, Corporate Governance or in print, free of charge, upon written request.

#### ***Director Independence***

The Board has determined that, other than Mr. Walsh, no Director has a material relationship with the Company, and each Director satisfies the criteria for an independent director under the rules of the New York Stock Exchange.

The Board has established the following additional guideline to assist it in determining director independence:

if a director serves as an officer, director or trustee of a non-profit organization, charitable contributions to that organization by the Company and its affiliates that do not exceed the greater of \$1,000,000 or two percent of the charitable organization's total revenues per year will not be considered to result in a material relationship between such director and the Company.

In making its determination of independence, the Board considered charitable contributions and ordinary business transactions between the Company, or affiliates of the Company, and companies where our Directors are employed or serve as directors, all of which were in compliance with the categorical standard set by the Board of Directors for determining director independence.

#### ***Board Leadership Structure and Role in Risk Management***

The Board of Directors determines the most appropriate Board structure to ensure effective and independent leadership while also ensuring appropriate insight into the operations and strategic direction of the Company. At the time Mr. Greenberg announced his intention to retire as Non-Executive Chairman of the Company's Board of Directors, effective as of the 2016 Annual Meeting, the Board determined that the appointment of an independent Chairman would be the most appropriate leadership structure. Mr. Schlanger has been elected as Chairman of the Board, effective January 28, 2016, subject to his election as a Director. The Board believes that the Company is best served by having Mr. Schlanger as independent Chair due to his unique, in-depth knowledge of the Company's corporate strategy and operating history and by virtue of his experience as the Company's Presiding Director since 2011.

Senior management of the Company is responsible for assessing and managing risk. Senior management has developed an enterprise risk management process intended to identify, prioritize and monitor key risks that may affect the Company. Our Board plays an important role in overseeing management's performance of these functions. In addition to general risk oversight by the Board, the charter of the Audit Committee sets

**Table of Contents**

out the primary responsibilities of the Audit Committee. Those responsibilities require the Audit Committee to discuss with management, the general auditor and the independent auditors, the Company's enterprise risk management policies and processes, including major risk exposures, risk mitigation, and the design and effectiveness of the Company's processes and controls to prevent and detect fraudulent activity. The Compensation and Management Development Committee is responsible for oversight of the Company's compensation programs to ensure that the programs do not encourage employees to take unnecessary or excessive risks. The Safety, Environmental and Regulatory Compliance Committee has primary oversight responsibility for the review of policies and programs to promote cyber security and to mitigate cyber security risks, as well as the review of programs, procedures, initiatives and training related to safety, environmental and regulatory compliance for the Company's domestic and international business units.

Our businesses are subject to a number of risks and uncertainties, which are described in detail in our Annual Report on Form 10-K for the year ended September 30, 2015. Throughout the year, in conjunction with its regular business presentations to the Board and its committees, management highlights significant risks and risk mitigation plans. Management also reports to each of the Committees and the Board on steps being taken to enhance management processes and controls in light of evolving market, business, regulatory and other conditions. The Chair of each Committee reports to the entire Board on their respective committee's activities and decisions. In addition, on an annual basis, an extended meeting of the Board is dedicated to reviewing the Company's short- and long-term strategies and objectives, including consideration of significant risks to the execution of those strategies and the achievement of the Company's objectives.

***Board Meetings and Attendance***

The Board of Directors held 8 meetings in Fiscal 2015. All Directors attended at least 75 percent of the meetings of the Board of Directors and Committees of the Board of which they were members. Generally, all Directors attend the Company's Annual Meeting of Shareholders, and each of the Company's Directors attended the 2015 Annual Meeting of Shareholders. Independent Directors of the Board also meet in regularly scheduled sessions without management. These sessions are led by our Presiding Director.

***Board and Committee Structure***

Annually, the Corporate Governance Committee monitors and assesses the structure, composition, operations and performance of the Board and, if appropriate, makes recommendations for changes. Our Board Committees include Audit, Compensation and Management Development, Corporate Governance, Executive, and Safety, Environmental and Regulatory Compliance. The members of each of the Board Committees, with the exception of the Executive Committee, are independent as defined by the New York Stock Exchange listing standards. The charters of the Audit, Corporate Governance, Compensation and Management Development, and Safety, Environmental and Regulatory Compliance Committees can be found on the Company's website, [www.ugicorp.com](http://www.ugicorp.com), under Investor Relations, Corporate Governance, or in print, free of charge, upon written request.

Name	Audit Committee	Compensation and Management Development	Corporate Governance Committee	Executive Committee	Safety, Environmental and Regulatory Compliance Committee

Edgar Filing: UGI CORP /PA/ - Form DEF 14A

Committee						
M. S. Bort	<b>1, 2</b>	X				X
R. W. Gochnauer	<b>1, 2</b>	X		X		
L. R. Greenberg					X	
F. S. Hermance	<b>1</b>		X			Chair
E. E. Jones	<b>1</b>		X	Chair		
A. Pol	<b>1</b>		X			X
M. O. Schlanger	<b>1, 3</b>		Chair	X	Chair	
J. B. Stallings, Jr.	<b>1</b>					
R. B. Vincent	<b>1, 2</b>	Chair				X
J. L. Walsh						X

(1) Independent Director

(2) Audit Committee Financial Expert

(3) Presiding Director

- 12 -

---

**Table of Contents**

**Audit Committee**

The Audit Committee (i) oversees the Company's accounting and financial reporting processes and independent audits of the financial statements; (ii) oversees the adequacy of internal controls relative to financial and business risk; (iii) monitors compliance with enterprise risk management policies; (iv) appoints, and approves the compensation of, the independent accountants; (v) monitors the independence of the independent registered public accounting firm and the performance of the independent accountants and the internal audit function; (vi) discusses with management, the general auditor and the independent auditor policies with respect to risk assessment and risk management; (vii) provides a means for open communication among the Company's independent accountants, management, internal audit staff and the Board; and (viii) oversees compliance with applicable legal and regulatory requirements.

The Board has determined that all of the Audit Committee members qualify as "audit committee financial experts" in accordance with the applicable rules and regulations of the SEC.

MEETINGS HELD LAST YEAR: 9

**Compensation and Management Development Committee**

The Compensation and Management Development Committee (i) establishes and reviews overall executive compensation philosophy and objectives; (ii) reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives and, together with the other independent Directors on the Board, determines and approves the CEO's compensation based upon such evaluation; (iii) assists the Board in establishing a succession plan for the position of CEO; (iv) reviews the Company's plans for management development and senior management succession; (v) establishes executive compensation policies and programs, ensuring that such plans do not encourage unnecessary risk-taking; (vi) approves salaries, target bonus levels, and awards and payments to be made to senior executives (other than the CEO); (vii) reviews with management the CD&A; (viii) oversees compliance with the Company's recoupment policy; and (ix) selects and oversees the performance of the compensation consultant, ensuring such consultant's independence.

MEETINGS HELD LAST YEAR: 5

**Corporate Governance Committee**

The Corporate Governance Committee (i) identifies nominees and reviews the qualifications of persons eligible to stand for election as Directors and makes recommendations to the Board; (ii) reviews and recommends candidates for committee membership and chairs; (iii) advises the Board with respect to significant developments in corporate governance matters; (iv) reviews and assesses the performance of the Board and each Committee; (v) reviews and recommends Director compensation; and (vi) reviews director and officer indemnification and insurance coverage.

MEETINGS HELD LAST YEAR: 4

**Safety, Environmental and Regulatory Compliance Committee**

The Safety, Environmental and Regulatory Compliance Committee (i) reviews the adequacy of, and provides oversight with respect to, the Company's safety, environmental and regulatory compliance policies, programs, procedures, initiatives and training; (ii) reviews risks associated with the Company's international businesses; (iii) reviews the Company's policies and programs to promote cyber security; (iv) reviews reports regarding the Company's code of ethical conduct for employees to the extent relating to safety, environmental and regulatory

compliance matters; and (v) keeps abreast of the regulatory environment within which the Company operates.

MEETINGS HELD LAST YEAR: 4



## **Table of Contents**

### **Executive Committee**

The Committee has limited powers to act on behalf of the Board of Directors between regularly scheduled meetings on matters that cannot be delayed.

MEETINGS HELD LAST YEAR: 0

### ***Compensation Committee Interlocks and Insider Participation***

The members of the Compensation and Management Development Committee are Messrs. Schlanger, Hermance and Jones and Mrs. Pol. None of the members is a former or current officer or employee of the Company or any of its subsidiaries, or is an executive officer of another company where an executive officer of UGI Corporation is a director.

### ***Selection of Board Candidates***

The Corporate Governance Committee conducts an annual assessment of the composition of the Board and Committees and reviews with the Board the appropriate skills and characteristics required of Board members. The Committee seeks director candidates based upon a number of qualifications, including independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, standing in the community, and ability to foster a diversity of backgrounds and views and to complement the Board's existing strengths. The Committee seeks individuals who have a broad range of demonstrated abilities and accomplishments in areas of strategic importance to the Company, such as general management, finance, energy distribution, international business, law and public sector activities. Directors should also possess a willingness to challenge and stimulate management and the ability to work as part of a team in a collegial atmosphere. The Committee also seeks individuals who are capable of devoting the required amount of time to serve effectively on the Board and its Committees. With respect to incumbent Directors, the Committee also considers the past performance of the Director on the Board. As part of the annual process of nominating independent Board candidates, the Committee obtains an opinion of the Company's General Counsel that there is no reason to believe that the Board candidate is not independent as defined by the New York Stock Exchange listing standards.

The Corporate Governance Committee considers recommendations from a wide variety of its business contacts, including current non-management Directors, executive officers, community leaders, and shareholders as a source for potential Board candidates. The Committee may also utilize the services of a third-party search firm to assist it in identifying and evaluating possible nominees for director. The Board reviews and has final approval of all potential director nominees for election to the Board. During Fiscal 2015, the Board of Directors, upon recommendation of the Corporate Governance Committee, elected James B. Stallings, Jr. as a member of the Board. Mr. Stallings' biography and qualifications are set forth in ITEM 1 ELECTION OF DIRECTORS, beginning on page 6.

Written recommendations by shareholders for director nominees should be submitted to the Corporate Secretary, UGI Corporation, 460 North Gulph Road, King of Prussia, PA 19406. The Company's Bylaws do not permit shareholders to nominate candidates from the floor at an annual meeting without notifying the Corporate Secretary 45 days prior to the anniversary of the mailing date of the Company's proxy statement for the previous year's annual meeting. Notification must include certain information detailed in the Company's Bylaws. If you intend to nominate a candidate from the floor at the annual meeting, please contact the Corporate Secretary.

### ***Director Stock Ownership Guidelines***

The Board of Directors has a policy requiring Directors to own Company common stock, together with stock units, in an aggregate amount equal to five times the Director's annual cash retainer, and to achieve the target level of common stock ownership within five years after joining the Board.

## **Table of Contents**

### ***Code of Ethics***

The Company has also adopted (i) a Code of Ethics for the Chief Executive Officer and Senior Financial Officers that applies to the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, and (ii) a Code of Business Conduct and Ethics for Directors, Officers and Employees. Both Codes are posted on the Company's website, [www.ugicorp.com](http://www.ugicorp.com), under Investor Relations Corporate Governance. All of these documents are also available free of charge by writing to the Treasurer of UGI Corporation at P.O. Box 858, Valley Forge, PA 19482.

### ***Investor Outreach***

UGI seeks regular engagement with investors in order to communicate our strategy and to solicit feedback from the investor community. Management periodically engages a third party to obtain independent feedback from our investors. In Fiscal 2015, we participated in a number of investor conferences, roadshows, meetings at our corporate office, and telephonic discussions with investors. These meetings were attended by various members of senior management, including our Chief Executive Officer, Chief Financial Officer, Treasurer, and/or senior members of our business segment management teams. Management periodically discusses feedback, including key themes and other insights gained from the investor outreach meetings, at the Company's Board and Committee meetings, as appropriate. The Board of Directors, as well as the management team, values the perspectives of our investors as it helps us to understand and evaluate the effectiveness of our investor communications. Additionally, the Compensation and Management Development Committee takes into consideration the results of the annual advisory vote on the Company's executive compensation program. At the 2015 Annual Meeting, over 96% of the Company's shareholders showed their strong support by voting to approve the compensation of the Company's named executive officers.

### ***Communications with the Board***

You may contact the Board of Directors, an individual non-management director, or the non-management Directors as a group by writing to them c/o UGI Corporation, P.O. Box 858, Valley Forge, PA 19482. These contact instructions have been posted on the Company's website at [www.ugicorp.com](http://www.ugicorp.com) under Investor Relations Corporate Governance.

Any communications directed to the Board of Directors, an individual non-management director, or the non-management Directors as a group from employees or others that concern complaints regarding accounting, financial statements, internal controls, ethical, or auditing matters will be handled in accordance with procedures adopted by the Audit Committee.

All other communications directed to the Board of Directors, an individual non-management director, or the non-management Directors as a group are initially reviewed by the Corporate Secretary. In the event the Corporate Secretary has any question as to whether the directors should be made aware of any issue raised, the Corporate Secretary shall be entitled to consult with the Chair of the Board in making such determination. The Corporate Secretary will distribute communications to the Board, an individual director, or to selected directors, depending on the content of the communication. The Corporate Secretary maintains a log of all such communications that is available for review for one year upon request of any member of the Board.

Typically, we do not forward to our Board communications from our shareholders or other parties that are of a personal nature or are not related to the duties and responsibilities of the Board, including, but not limited to, junk mail and mass mailings, resumes and other forms of job inquiries, opinion surveys and polls, and business solicitations or advertisements.



**Table of Contents****COMPENSATION OF DIRECTORS**

The table below shows the components of director compensation for Fiscal 2015. A Director who is an officer or employee of the Company or its subsidiaries is not compensated for service on the Board of Directors or on any Committee of the Board.

Name	Director Compensation Table				Fiscal 2015 Change in Pension Value		Total
	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (\$)	And Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)	
(a)	(\$)(1) (b)	(\$)(2) (c)	(\$)(3) (d)	(e)	(f)	(g)	(h)
M. S. Bort	82,000	160,271	60,143	0	0	0	302,414
R. W. Gochnauer	82,000	153,062	60,143	0	0	0	295,205
L. R. Greenberg	356,667	0	0	0	0	0	356,667
F. S. Hermance	84,500	151,297	60,143	0	0	0	295,940
E. E. Jones	87,000	189,247	60,143	0	1,186	0	337,576
A. Pol	87,000	237,191	60,143	0	771	0	385,105
M. O. Schlanger	112,000	221,514	60,143	0	0	0	393,657
J. B. Stallings, Jr. (5)	633	0	0	0	0	0	633
R. B. Vincent	92,000	171,904	60,143	0	0	0	324,047

(1) *Annual Retainers.* In Fiscal 2015, the Company paid its non-management Directors, excluding Mr. Greenberg, an annual retainer of \$77,000 for Board service and paid an additional annual retainer of \$5,000 to members of the Audit Committee, other than the chairperson. The Company also paid an annual retainer to the chairperson of each of the Committees, other than the Executive Committee, as follows: Audit, \$15,000; Compensation and Management Development, \$15,000; Corporate Governance, \$10,000; and Safety, Environmental and Regulatory Compliance, \$7,500. The Company also paid its Presiding Director a retainer of \$20,000 in Fiscal 2015. The Company pays no meeting attendance fees. In 2014, the independent members of the Board of Directors, upon recommendation of the Corporate Governance Committee, approved a reduction in Mr. Greenberg's annual cash

retainer for his service as Non-Executive Chairman from \$400,000 to \$335,000 effective February 2, 2015. Additionally, Mr. Greenberg does not receive any equity compensation for his service as Non-Executive Chairman.

- (2) *Stock Awards.* All Directors named above, excluding Messrs. Greenberg and Stallings, received 3,750 stock units in Fiscal 2015 as part of their annual compensation. The stock units were granted under the UGI Corporation 2013 Omnibus Incentive Compensation Plan (the "2013 Plan"). Each stock unit represents the right to receive a share of stock and dividend equivalents when the Director ends his or her service on the Board. Stock units earn dividend equivalents on each record date for the payment of a dividend by the Company on its shares. Accrued dividend equivalents are converted to additional stock units annually, on the last date of the calendar year, based on the closing stock price for the Company's shares on the last trading day of the year. All stock units and dividend equivalents are fully vested when credited to the Director's account. Account balances become payable 65 percent in shares and 35 percent in cash, based on the value of a share, upon retirement or termination of service. In the case of a change in control of the Company, the stock units and dividend equivalents will be paid in cash based on the fair market value of the Company's common stock on the date of the change in control. The amounts shown in column (c) above represent the fair value of the awards of stock units on the date of grant. The assumptions used in the calculation of the amounts shown are included in Note 2 and Note 14 to our audited consolidated financial statements for Fiscal 2015, which are included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015. The dollar value shown in column (c) above reflects each Director's annual award, as well as the accumulation of stock units credited upon the conversion of dividend equivalents. The grant date fair value of each Director's annual award of 3,750 stock units was \$139,313. The grant date fair value of the stock units credited upon the conversion of dividend equivalents to stock units in Fiscal 2015 was as follows: Ms. Bort, \$20,958; Mr. Gochnauer, \$13,749; Mr. Hermance, \$11,984; Mr. Jones, \$49,934; Mrs. Pol, \$97,878; Mr. Schlanger, \$82,201; and Mr. Vincent, \$32,591. For the number of stock units credited to each Director's account as of September 30, 2015, see SECURITIES OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS Beneficial Ownership of Directors, Nominees and Named Executive Officers, pages 56-57.
- (3) *Stock Options.* All non-management Directors, excluding Messrs. Greenberg and Stallings, received 11,250 stock options in Fiscal 2015 as part of their annual compensation. The options were granted under the UGI Corporation 2004

**Table of Contents**

Omnibus Equity Compensation Plan, Amended and Restated as of December 5, 2006 (the 2004 Plan ). The option exercise price is not less than 100 percent of the fair market value of the common stock on the effective date of the grant, which is either the date of the grant or a future date. The term of each option is generally 10 years, which is the maximum allowable term. The options are fully vested on the effective date of the grant. All options are nontransferable and generally exercisable only while the Director is serving on the Board, with exceptions for exercise following disability or death. If termination of service occurs due to disability, the option term is shortened to the earlier of the third anniversary of the date of such termination of service or the original expiration date. In the event of death the option term will be shortened to the earlier of the expiration of the 12-month period following the Director's death, or the original expiration date. If termination of service occurs due to retirement, as defined in the 2004 Plan, the option remains exercisable through its original expiration date. The amounts shown in column (d) above represent the grant date fair value of each Director's Fiscal 2015 award of 11,250 stock options. For the number of stock options held by each Director as of September 30, 2015, see SECURITIES OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS Beneficial Ownership of Directors, Nominees and Named Executive Officers Exercisable Options for UGI Common Stock, pages 56-57.

- (4) The amounts shown in column (f) represent above-market earnings on deferred compensation. Earnings on deferred compensation are considered above-market to the extent that the rate of interest exceeds 120 percent of the applicable federal long-term rate. For purposes of the Director Compensation Table, the market rate on deferred compensation most analogous to the rate at the time the interest rate is set under the deferred compensation plan for Fiscal 2015 was 3.29 percent, which is 120 percent of the federal long-term rate for December 2014.
- (5) Mr. Stallings' compensation for Fiscal 2015 was prorated based on his September 28, 2015 election as a director of the Company.

**Director Equity Plan Limits:** In Fiscal 2015, the Company's Board of Directors adopted a \$500,000 annual limit with respect to individual Director equity awards. In establishing this limit, the Board of Directors considered competitive pay levels as well as the need to retain its current Directors and attract new directors with the relevant skills and attributes desired in director candidates.

**Stock Ownership Guidelines for Independent Directors:** All independent directors are required to hold five times the cash portion of their annual retainer. They have five years to meet this ownership threshold.

**POLICY FOR APPROVAL OF RELATED PERSON TRANSACTIONS**

The Company's Board of Directors has a written policy for the review and approval of Related Person Transactions. The policy applies to any transaction in which (i) the Company or any of its subsidiaries is a participant, (ii) any related person has a direct or indirect material interest, and (iii) the amount involved exceeds \$120,000, except for any such transaction that does not require disclosure under SEC regulations. The Audit Committee of the Board of Directors, with assistance from the Company's General Counsel, is responsible for reviewing, approving and ratifying related person transactions. The Audit Committee intends to approve or ratify only those related person transactions that are in, or not inconsistent with, the best interests of the Company and its shareholders.

**Table of Contents**

**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The Audit Committee is composed of independent Directors as defined by the rules of the New York Stock Exchange and acts under a written charter adopted by the Board of Directors. As described more fully in its charter, the role of the Committee is to assist the Board of Directors in its oversight of the quality and integrity of the Company's financial reporting process. The Committee also has the sole authority to appoint, retain, fix the compensation of, and oversee the work of, the Company's independent auditors.

In this context, the Committee has met and held discussions with management and the independent auditors to review and discuss the Company's internal control over financial reporting, the interim unaudited financial statements, and the audited financial statements for Fiscal 2015. The Committee also reviewed management's report on internal control over financial reporting, required under Section 404 of the Sarbanes-Oxley Act of 2002. As part of this review, the Committee reviewed the bases for management's conclusions in that report and the report of the independent registered public accountants on the effectiveness of the Company's internal control over financial reporting. The Committee has also discussed with the independent auditors the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, issued by the Public Company Accounting Oversight Board (PCAOB). In addition, the Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with the independent auditors their independence.

Management has primary responsibility for the financial reporting process, including the system of internal controls, and for preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The Company's independent auditors are responsible for auditing those financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America. The Committee's responsibility is to monitor and review these processes. Ernst & Young LLP served as the Company's independent registered public accounting firm for Fiscal 2015 and its audit report appears in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015.

The members of the Committee are not professionally engaged in the practice of auditing or accounting. The members of the Committee rely, without independent verification, on the information provided to them and on the representations made by management and the independent auditors. Accordingly, the Committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with auditing standards generally accepted in the United States of America, that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America or that our auditors are, in fact, independent.

Based upon the reviews and discussions described in this report, the Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2015 for filing with the SEC.

*Audit Committee*

Roger B. Vincent, Chairman

M. Shawn Bort

Richard W. Gochnauer





**Table of Contents****OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

In the course of its meetings, the Audit Committee considered whether the provision by Ernst & Young LLP of the professional services described below was compatible with Ernst & Young LLP's independence. The Committee concluded that our independent registered public accounting firm is independent from the Company and its management.

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the Company's independent accountants. In recognition of this responsibility, the Audit Committee has a policy of pre-approving audit and permissible non-audit services provided by the independent accountants. The Audit Committee has delegated such approval authority to its chairman, to be exercised in the intervals between meetings, in accordance with the Audit Committee's pre-approval policy.

Prior to engagement of the Company's independent registered public accounting firm for the next year's audit, management submits to the Audit Committee for approval a list of services expected to be rendered during that year, and fees related thereto. The aggregate fees billed by Ernst & Young LLP, the Company's independent registered public accountants in Fiscal 2015, and PricewaterhouseCoopers LLP, the Company's independent registered public accountants in Fiscal 2014, were as follows:

	<b>2015</b>	<b>2014</b>
Audit Fees <sup>(1)</sup>	\$ 7,221,244	\$ 7,896,372
Audit-Related Fees <sup>(2)</sup>	\$ 103,800	\$ 350,000
Tax Fees <sup>(3)</sup>	\$ 409,135	\$ 546,000
All Other Fees <sup>(4)</sup>	\$ 4,535	\$ 11,900
<b>Total Fees for Services Provided</b>	<b>\$ 7,738,714</b>	<b>\$ 8,804,272</b>

- (1) Audit Fees were for audit services, including (i) the annual audit of the consolidated financial statements of the Company, (ii) subsidiary audits, (iii) review of the interim financial statements included in the Quarterly Reports on Form 10-Q of the Company, AmeriGas Partners, L.P. and UGI Utilities, Inc., (iv) audit services related to acquisitions in France and Hungary, and (v) services that only the independent registered public accounting firm can reasonably be expected to provide, including the issuance of comfort letters.
- (2) Audit-Related Fees for Fiscal 2015 were related to subsidiary financial statements and debt compliance letters and for Fiscal 2014 were for due diligence associated with acquisitions.
- (3) Tax Fees for Fiscal 2015 were for tax advisory or consulting services at the Company and the Company's international subsidiaries. Tax Fees for Fiscal 2014 were for the preparation of Substitute Schedule K-1 forms for unitholders of AmeriGas Partners, L.P.
- (4) All Other Fees for Fiscal 2015 were for software license fees and for Fiscal 2014 were for software license fees and preparation of statutory statements for one of the Company's international subsidiaries.

*Notwithstanding anything to the contrary, the reports of the Compensation and Management Development Committee and the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.*



**Table of Contents**

**REPORT OF THE COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE OF  
THE BOARD OF DIRECTORS**

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on this review and discussion, the Committee recommended to the Company's Board of Directors, and the Board of Directors approved, the inclusion of the Compensation Discussion and Analysis in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2015 and the Company's proxy statement for the 2016 Annual Meeting of Shareholders.

*Compensation and Management*

*Development Committee*

Marvin O. Schlanger, Chairman

Frank S. Hermance

Ernest E. Jones

Anne Pol

**COMPENSATION DISCUSSION AND ANALYSIS  
INTRODUCTION**

In this Compensation Discussion and Analysis, we address the compensation paid or awarded to the following executive officers: John L. Walsh, our President and Chief Executive Officer; Kirk R. Oliver, our Chief Financial Officer; Jerry E. Sheridan, President and Chief Executive Officer of AmeriGas Propane, Inc. ( AmeriGas Propane ); Monica M. Gaudiosi, our Vice President, General Counsel and Secretary; and Bradley C. Hall, Vice President - New Business Development. We refer to these executive officers as our named executive officers for Fiscal 2015.

Compensation decisions for Messrs. Walsh, Oliver, and Hall and Ms. Gaudiosi were made by the independent members of our Board of Directors after receiving the recommendations of its Compensation and Management Development Committee. Compensation decisions for Mr. Sheridan were made by the independent members of the Board of Directors of AmeriGas Propane, the General Partner of AmeriGas Partners, L.P. ( AmeriGas Partners ), after receiving the recommendation of its Compensation/Pension Committee. For ease of understanding, we will use the term we to refer to UGI Corporation and AmeriGas Propane, and the term Committee or Committees to refer to the UGI Corporation Compensation and Management Development Committee and/or the AmeriGas Propane Compensation/Pension Committee, as appropriate, in the relevant compensation discussions, unless the context indicates otherwise.

**Table of Contents**

***EXECUTIVE SUMMARY***

Our compensation program for named executive officers is designed to provide a competitive level of total compensation; motivate and encourage our executives to contribute to our financial success; retain talented and experienced executives; and reward our executives for leadership excellence and performance that promotes sustainable growth in shareholder value. As set forth in this Compensation Discussion and Analysis, the level of compensation received by the Company's named executive officers in Fiscal 2015 reflects outstanding performance by the Company during Fiscal 2015 as well as the Company's outstanding returns to its shareholders.

***Overview of Performance and Total Shareholder Return***

The following are some of the Company's Fiscal 2015 highlights:

Fiscal 2015 adjusted earnings per share ( Adjusted EPS ) of \$2.01 matched the Company's record earnings achieved in Fiscal 2014.

The Board of Directors increased the annual dividend by approximately 4.5%.

Significant progress was made on growth projects in Fiscal 2015.

As illustrated in the accompanying chart, the Company's one-year stock performance was in line with the S&P 500 Utilities Index and the peer group referenced by the Committee for purposes of the Company's long-term compensation plan.

<sup>1</sup> UGI Corporation's Fiscal 2015 earnings per share is adjusted to exclude (i) Midstream and Marketing's and AmeriGas Propane's net loss on commodity derivative instruments not associated with Fiscal 2015 transactions (\$.30 per diluted share), (ii) acquisition and transition expenses associated with the Finagaz acquisition in France (\$.08 per diluted share), and (iii) a loss on extinguishment of debt at Antargaz (\$.03 per diluted share).

**Table of Contents*****Fiscal 2015 Components***

The following chart summarizes the principal elements of our Fiscal 2015 executive compensation program. We describe these elements, as well as retirement, severance and other benefits, in more detail later in this Compensation Discussion and Analysis.

**Principal Components of Compensation Paid to Named Executive Officers in Fiscal 2015**

<b>Component</b>	<b>Principal Objectives</b>	<b>Fiscal 2015 Compensation Actions</b>
<b>Base Components</b>		
Salary	Compensate executive as appropriate for his or her position, experience and responsibilities based on market data.	Merit salary increases ranged from 2.0% to 5.0%.
Annual Bonus Awards	Motivate executive to focus on achievement of our annual business objectives.	Target incentives ranged from 60% to 125% of salary. Actual bonus payouts to our named executive officers ranged from 83.6% to 142.5% of target, primarily based on achievement of financial goals.
<b>Long-Term Incentive Awards</b>		
Stock Options	Align executive interests with shareholder interests; create a strong financial incentive for achieving or exceeding long-term performance goals, as the value of stock options is a function of the price of our stock.	The number of shares underlying option awards ranged from 40,500 shares to 306,000 shares.
Performance Units	Align executive interests with shareholder interests; create a strong financial incentive for achieving long-term performance goals by encouraging total Company shareholder return that compares favorably to other utility-based companies or total AmeriGas Partners unitholder return that compares favorably to other energy master limited partnerships and its two propane peer companies; further align Mr. Sheridan's long-term compensation with strategic goals and objectives related to customer gain/loss performance.	<p>The number of performance units awarded in Fiscal 2015 ranged from 5,850 to 45,000. Performance units (payable in UGI Corporation common stock, other than for Mr. Sheridan) will be earned based on total shareholder return ( TSR ) of Company stock relative to entities in an industry index over a three-year period.</p> <p>A portion of Mr. Sheridan's performance units will be payable in AmeriGas Partners common units based on total unitholder return ( TUR ) relative to master limited partnerships in the Alerian MLP Index, modified by AmeriGas Partners TUR performance as compared to the other two propane distribution companies in the Alerian MLP Index, over a three-year period. The remaining portion of Mr. Sheridan's performance units will be payable in AmeriGas Partners common</p>

units subject to achievement of a customer gain/loss metric.

***Link Between Our Financial Performance and Executive Compensation***

The Committee sets rigorous goals for our executive officers that are directly tied to the Company's financial performance and our total return to our shareholders, and in the case of AmeriGas Partners, our total return to our unitholders. We believe that the performance-based components of our compensation program, namely our stock options and performance units, have effectively linked our executives' compensation to our financial performance. The following charts set forth the Company's Adjusted EPS performance from Fiscal 2013 through Fiscal 2015 as well as the Company's three-year stock performance compared to the S&P Utilities Index and the Russell MidCap Utilities Index (exclusive of telecommunications companies) ( Adjusted Russell MidCap Utilities Index ), the peer group referenced by the Committee for purposes of the Company's long-term compensation plan.

- 22 -

**Table of Contents**

To better illustrate the total direct performance-based compensation paid or awarded to Mr. Walsh in Fiscal 2015, 2014 and 2013, the following table is provided as supplemental information. A comparable illustration would apply to our other named executive officers. The information in the supplemental table below differs from the information in the Summary Compensation Table in several ways. Specifically, the table below omits the columns captioned *Change in Pension Value* and *Nonqualified Deferred Compensation Earnings* and *All Other Compensation* because these amounts are not considered in establishing annual total cash compensation and total direct compensation and some of the amounts in those columns of the Summary Compensation Table can vary significantly from year to year. The table below shows Mr. Walsh's direct compensation for the last three fiscal years. Mr. Walsh's actual (or estimated in the case of performance related to Fiscal 2015) three-year long-term performance unit payouts during the period clearly demonstrate shareholder returns for the Company that are in excess of the returns of most companies included in the Company's peer group. Similarly, the amount Mr. Walsh received as non-equity incentive compensation under the Company's annual bonus plan is directly linked to the Company's annual financial performance in each of Fiscal 2015, Fiscal 2014 and Fiscal 2013, as more clearly illustrated in *Short-Term Incentives - Annual Bonuses* below.

<b>Fiscal Year</b>	<b>Salary<sup>(1)</sup></b>	<b>Non-Equity Incentive Compensation</b>	<b>Performance Unit Payout<sup>(2)</sup></b>	<b>Intrinsic Value of Stock Options in Fiscal 2015 (Valued at 9/30/15)</b>	<b>Total Direct Compensation</b>
2015	\$ 1,079,728	\$ 1,604,745	\$ 4,840,440 <sup>(3)</sup>	\$ 0	\$ 7,524,913
2014	\$ 1,028,300	\$ 1,974,336	\$ 3,036,515 <sup>(4)</sup>	\$ 4,187,700	\$ 10,226,851
2013	\$ 861,710	\$ 902,454	\$ 1,250,970 <sup>(5)</sup>	\$ 4,496,265	\$ 7,511,399

- (1) Mr. Walsh's Fiscal 2013 salary reflects his service as President and Chief Operating Officer (until April 1, 2013) and his promotion to President and Chief Executive Officer (effective April 1, 2013).
- (2) Payout calculated for three-year performance periods based on calendar years, not fiscal years.
- (3) Estimated based on performance through October 31, 2015 for the 2013-2015 performance period based on the Company's current rank equal to the 9<sup>th</sup> percentile compared to its peer group.
- (4) Actual payout for the 2012-2014 performance period based on the Company's rank equal to the 9<sup>th</sup> percentile compared to its peer group.
- (5) Actual payout for the 2011-2013 performance period based on the Company's rank equal to the 5<sup>th</sup> percentile compared to its peer group.



**Table of Contents***Short-Term Incentives Annual Bonuses*

Our annual bonuses are directly tied to key financial metrics for each executive Adjusted EPS (as previously defined) (in the case of Messrs. Walsh and Oliver and Ms. Gaudiosi), net income of UGI Energy Services, LLC and its subsidiaries ( UGI Energy Services ), adjusted to exclude the loss on Midstream and Marketing s commodity derivative instruments not associated with Fiscal 2015 transactions (in the case of Mr. Hall), and AmeriGas Propane s earnings before interest, taxes, depreciation and amortization, adjusted to exclude the mark-to-market loss on commodity derivative instruments at AmeriGas Propane ( Adjusted EBITDA ), and then modified based on the achievement of a safety-related goal (in the case of Mr. Sheridan). As illustrated in the chart below, when the Company s Adjusted EPS exceeds the targeted goal, the annual bonus percentage paid to a named executive officer exceeds the targeted payout amount. Similarly, when Adjusted EPS is below the targeted goal, the annual bonus percentage paid to a named executive officer is less than the targeted payout amount. The foregoing correlation between the Adjusted EPS and bonus payout amounts would also be true with respect to the correlation between (i) UGI Energy Services adjusted net income and Mr. Hall s bonus payout and (ii) Adjusted EBITDA and Mr. Sheridan s bonus payout. Each Committee has discretion under our executive annual bonus plans to (i) adjust Adjusted EPS and Adjusted EBITDA for extraordinary items or other events as the Committee deems appropriate, and (ii) increase or decrease the amount of an award determined to be payable under the bonus plan by up to 50 percent. For Fiscal 2015, the Committee exercised its discretion and adjusted the actual Adjusted EPS for annual bonus purposes to exclude the Fiscal 2015 operating loss associated with the May 29, 2015 acquisition of Totalgaz in France (now Finagaz ). See COMPENSATION DISCUSSION AND ANALYSIS Elements of Compensation Annual Bonus Awards, beginning on page 29. The following table demonstrates the strong link between Company financial performance and bonus payout percentages by illustrating that the Company s improved EPS during each of the last three fiscal years directly correlates to the bonus payouts for our executives.

Fiscal Year	UGI Corporation		UGI Corporation Adjusted EPS for Bonus	% of Target Bonus Paid
	Targeted	Adjusted EPS Range		
2015	\$	1.88-\$1.98	\$ 2.02	118.9%
2014	\$	1.73-\$1.80	\$ 1.98	160.0%
2013	\$	1.63-\$1.70	\$ 1.59	95.9%

*Long-Term Incentive Compensation*

Our long-term incentive compensation program, principally comprised of stock options and performance units, is intended to create a strong financial incentive for achievement of the Company s long-term performance goals. In addition, linking equity to compensation aligns our executives interests with shareholder interests.

**Table of Contents***Long-Term Incentives Stock Options*

Stock option values reported in the Summary Compensation Table reflect the valuation methodology mandated by SEC regulations, which is based on grant date fair value as determined under generally accepted accounting principles in the United States ( GAAP ). Therefore, the amounts shown under Option Awards in the Summary Compensation Table do not reflect performance of the underlying shares subsequent to the grant date. From our executives perspectives, the value of a stock option is based on the excess of the market price of the underlying shares over the exercise price (sometimes referred to as the intrinsic value ) and, therefore, is directly affected by market performance of the Company s stock. The fiscal year-end intrinsic value of the options granted to our executives during Fiscal 2015 is less than the amount set forth in column (f) of the Summary Compensation Table. Due to the Company s strong stock price performance subsequent to the Fiscal 2013 and Fiscal 2014 stock option grants, the intrinsic value of these grants exceeds the amounts set forth in column (f) of the Summary Compensation Table.

<b>Fiscal Year</b>	<b>Number of Shares Underlying Options Granted to Mr. Walsh</b>	<b>Summary Compensation Table Option Awards Value</b>	<b>Exercise Price Per Share</b>	<b>Price Per Share at 9/30/15</b>	<b>Total Intrinsic Value of Options at 9/30/15</b>
2015	306,000	\$ 1,705,338	\$ 37.98	\$ 34.82	\$ 0
2014	405,000	\$ 1,992,060	\$ 27.64	\$ 34.82	\$ 2,907,900
2013	307,500	\$ 1,060,319	\$ 21.81-\$25.50 <sup>(1)</sup>	\$ 34.82	\$ 3,524,565

- (1) Mr. Walsh received 178,500 options on January 1, 2013 with an exercise price of \$21.81 and, in connection with his promotion to Chief Executive Officer, received 129,000 options on April 1, 2013 with an exercise price of \$25.50.

*Long-Term Incentives Performance Units*

Performance units are valued upon grant date in accordance with SEC regulations, based on grant date fair value as determined under GAAP. Nevertheless, the actual number of shares or partnership units ultimately awarded is entirely dependent on the TSR on UGI Corporation common stock relative to a competitive peer group (or, in the case of Mr. Sheridan, TUR on AmeriGas Partners common units relative to a competitive peer group and, beginning with Fiscal 2015 awards, achievement of a customer gain/loss goal), which will not be finally determined with respect to performance units granted in Fiscal 2015 until the end of 2017.

The following table shows the correlation between (i) levels of UGI Corporation TSR and long-term incentive compensation paid in each of the previous four fiscal years, and (ii) the estimated payout for Fiscal 2015 using October 31, 2015, instead of December 31, 2015, as the end of the three-year performance period. The table also compares UGI Corporation TSR to the average shareholder return of the Company s peer group. With respect to AmeriGas Partners, the estimated performance unit payout as a percentage of target using October 31, 2015 instead of December 31, 2015 as the end of the three-year performance period is 157.4 percent (11<sup>th</sup> out of 38 companies with a TUR of 27.8 percent). AmeriGas Partners TUR in each of the prior four fiscal years was below the threshold for payout.

Performance		UGI Corporation		Total Average Shareholder Return of Peer Group (Excluding UGI Corporation)	UGI Corporation Performance Unit Payout as a Percentage of Target	
		Total Shareholder Return Ranking Relative to Peer Group	UGI Corporation Total Shareholder Return <sup>(1)</sup>			
Period (Calendar Year)		Group				
2013	2013 <sup>(S)</sup>	4 <sup>th</sup> out of 36 (92 <sup>nd</sup> percentile)		79.1%	39.8%	200%
2012	2014	2 <sup>nd</sup> out of 39 (97 <sup>th</sup> percentile)		113.5%	55.9%	193.4%
2011	2013	20 <sup>th</sup> out of 40 (50 <sup>th</sup> percentile)		46.8%	50.1%	100%
2010	2012	19 <sup>th</sup> out of 32 (42 <sup>nd</sup> percentile)		46.9%	45.4%	59.7%
2009	2011	24 <sup>th</sup> out of 34 (30 <sup>th</sup> percentile)		35.4%	50.8%	0%

(1) Calculated in accordance with the 2004 Plan or 2013 Plan, as applicable.

(2) Estimated ranking and payout reflects the TSR of UGI Corporation for the 2013-2015 performance period through October 31, 2015. Actual payout will be determined December 31, 2015. It is important to note that the performance periods are based on calendar years, which do not conform to the Company's fiscal years.

## **Table of Contents**

As noted below, beginning with performance units granted in Fiscal 2011, TSR for UGI Corporation is compared to companies in the Russell MidCap Utilities Index (exclusive of telecommunications companies) ( Adjusted Russell MidCap Utilities Index ), rather than to companies in the S&P Utilities Index. In addition, beginning in Fiscal 2010, TUR for AmeriGas Partners is compared to the energy master limited partnerships and limited liability companies in the Alerian MLP Index. For Mr. Sheridan s Fiscal 2014 performance unit award, the Committee adopted a second relative total return metric comparing AmeriGas Partners TUR to the TUR of the other two retail propane distribution companies included in the Alerian MLP Index. The Committee replaced this second relative return metric for Mr. Sheridan s Fiscal 2015 performance unit award with a metric tied to AmeriGas Partners customer gain/loss performance. The Committee then added a modifier to the portion of Mr. Sheridan s Fiscal 2015 performance unit award tied to AmeriGas Partners TUR performance compared to the Alerian MLP Index based on AmeriGas Partners performance compared to the other two retail propane distribution companies included in the Alerian MLP Index.

The link between the Company s financial performance and our executive compensation program is evident in the supplemental tables provided above. The Committees believe there is an appropriate link between executive compensation and the Company s performance.

### ***Compensation and Corporate Governance Practices***

The Committees seek to implement and maintain sound compensation and corporate governance practices, which include the following:

The Committee is composed entirely of directors who are independent, as defined in the corporate governance listing standards of the New York Stock Exchange.

The Committee utilizes the services of Pay Governance LLC ( Pay Governance ), an independent outside compensation consultant.

The Company allocates a substantial portion of compensation to performance-based compensation. In Fiscal 2015, 81 percent of the principal compensation components, in the case of Mr. Walsh, and 64 percent to 77 percent of the principal compensation components, in the case of all other named executive officers, were variable and tied to financial performance or TSR.

The Company awards a substantial portion of compensation in the form of long-term awards, namely stock options and performance units, so that executive officers interests are aligned with shareholders interests and long-term Company performance.

Annual bonus opportunities for the named executive officers are based primarily on key financial metrics. Similarly, long-term incentives are based on UGI Corporation common stock values and relative stock price performance. Long-term incentives for Mr. Sheridan are based on (i) AmeriGas Partners common unit values and relative common unit performance and (ii) customer gain/loss performance.

We require termination of employment for payment under our change in control agreements (referred to as a "double trigger"). We also have not entered into change in control agreements providing for tax gross-up payments under Section 280G of the Internal Revenue Code since 2010. See COMPENSATION OF EXECUTIVE OFFICERS Potential Payments Upon Termination or Change in Control, beginning on page 51.

We have meaningful stock ownership guidelines. See COMPENSATION DISCUSSION AND ANALYSIS Stock Ownership Guidelines, beginning on page 39.

We have a recoupment policy for incentive-based compensation paid or awarded to current and former executive officers in the event of a restatement due to material non-compliance with financial reporting requirements.

**Table of Contents**

We have a policy prohibiting the Company's Directors and executive officers from (i) hedging the securities of UGI Corporation and AmeriGas Partners, (ii) holding UGI Corporation and AmeriGas Partners securities in margin accounts as collateral for a margin loan, and (iii) pledging the securities of UGI Corporation and AmeriGas Partners.

The Committee believes that, during Fiscal 2015, there was no conflict of interest between Pay Governance and the Committee and that Pay Governance was independent. In reaching the foregoing conclusions, the Committee considered the factors set forth by the New York Stock Exchange regarding compensation committee advisor independence.

***COMPENSATION PHILOSOPHY AND OBJECTIVES***

Our compensation program for our named executive officers is designed to provide a competitive level of total compensation necessary to attract and retain talented and experienced executives. Additionally, our compensation program is intended to motivate and encourage our executives to contribute to our success and reward our executives for leadership excellence and performance that promotes sustainable growth in shareholder and common unitholder value.

In Fiscal 2015, the components of our compensation program included salary, annual bonus awards, long-term incentive compensation (performance unit awards and UGI Corporation stock option grants), perquisites, retirement benefits and other benefits, all as described in greater detail in this Compensation Discussion and Analysis. We believe that the elements of our compensation program are essential components of a balanced and competitive compensation program to support our annual and long-term goals.

***DETERMINATION OF COMPETITIVE COMPENSATION***

In determining Fiscal 2015 compensation, the Committees engaged Pay Governance as their compensation consultant. The primary duties of Pay Governance were to:

provide the Committees with independent and objective market data;

conduct compensation analyses;

review and advise on pay programs and salary, target bonus and long-term incentive levels applicable to our executives;

review components of our compensation program as requested from time to time by the Committees and recommend plan design changes, as appropriate; and

provide general consulting services related to the fulfillment of the Committees' charters.

Pay Governance has not provided actuarial or other services relating to pension and post-retirement plans or services related to other benefits to us or our affiliates, and generally all of its services are those that it provides to the Committees. Pay Governance has provided market data for positions below the senior executive level as requested by

management as well as market data for director compensation, but its fees for this work historically are modest relative to its overall fees.

In assessing competitive compensation, we referenced market data provided to us in Fiscal 2014 by Pay Governance. Pay Governance provided us with two reports: the 2014 Executive Cash Compensation Review and the 2014 Executive Long-Term Incentive Review. We do not benchmark against specific companies in the databases utilized by Pay Governance in preparing its reports. Our Committees do benchmark, however, by using Pay Governance's analysis of compensation databases that include numerous companies as a reference point to provide a framework for compensation decisions. Our Committees

**Table of Contents**

exercise discretion and also review other factors, such as internal equity (both within and among our business units) and sustained individual and company performance, when setting our executives' compensation.

In order to provide the Committee with data reflecting the relative sizes of UGI's nonutility and utility businesses, Pay Governance first referenced compensation data for comparable executive positions in each of the Towers Watson 2014 General Industry Executive Compensation Database (General Industry Database) and the Towers Watson 2014 Energy Services Executive Compensation Database (Energy Services Database). Towers Watson's General Industry Database is comprised of approximately 445 companies from a broad range of industries, including oil and gas, aerospace, automotive and transportation, chemicals, computer, consumer products, electronics, food and beverages, metals and mining, pharmaceutical and telecommunications. The Towers Watson Energy Services Database is comprised of approximately 110 companies, primarily utilities. For Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi, Pay Governance weighted the General Industry Database survey data 75 percent and the Energy Services Database survey data 25 percent and added the two. For example, if the relevant market rate for a particular executive position derived from information in the General Industry Database was \$100,000 and the relevant market rate derived from information in the Energy Services Database was \$90,000, Pay Governance would provide us with a market rate of \$97,500 for that position ( $(\$100,000 \times 75 \text{ percent} = \$75,000)$  plus  $(\$90,000 \times 25 \text{ percent} = \$22,500)$ ). The impact of weighting information derived from the two databases is to obtain a market rate designed to approximate the relative sizes of our nonutility and utility businesses. For Mr. Sheridan, we referenced Towers Watson's 2014 General Industry Database. The identities of the companies that comprise the databases utilized by Pay Governance have not been disclosed to us by Pay Governance.

We generally seek to position a named executive officer's salary grade so that the midpoint of the salary range for his or her salary grade approximates the 50<sup>th</sup> percentile of the going rate for comparable executives included in the executive compensation database material referenced by Pay Governance. By comparable executive, we mean an executive having a similar range of responsibilities and the experience to fully perform these responsibilities. Pay Governance size-adjusted the survey data to account for the relative revenues of the survey companies in relation to ours. In other words, the adjustment reflects the expectation that a larger company would be more likely to pay a higher amount of compensation for the same position than a smaller company. Using this adjustment, Pay Governance developed going rates for positions comparable to those of our executives, as if the companies included in the respective databases had revenues similar to ours. We believe that Pay Governance's application of size adjustments to applicable positions in these databases is an appropriate method for establishing market rates. After consultation with Pay Governance, we considered salary grade midpoints that were within 15 percent of the median going rate developed by Pay Governance to be competitive.

***ELEMENTS OF COMPENSATION******Salary***

Salary is designed to compensate executives for their level of responsibility and sustained individual performance. We pay our executive officers a salary that is competitive with that of other executive officers providing comparable services, taking into account the size and nature of the business of the Company, AmeriGas Partners or UGI Energy Services, as the case may be.

As noted above, we seek to establish the midpoint of the salary grade for the positions held by our named executive officers at approximately the 50<sup>th</sup> percentile of the going rate for executives in comparable positions. Based on the data provided by Pay Governance in July 2014, we increased the range of salary in each salary grade for Fiscal 2015 for each named executive officer, other than Mr. Walsh, by 2 percent. The Committee established Mr. Walsh's Fiscal



2015 salary grade midpoint at the market median of comparable executives as identified by Pay Governance based on its analysis of the executive compensation databases. For Mr. Walsh, this resulted in an increase of the range of salary in his salary grade from the prior year of 3.6 percent.

**Table of Contents**

For Fiscal 2015, the merit increases were targeted at 3 percent, but individual increases varied based on performance evaluations and the individual's position within the salary range. Performance evaluations were based on qualitative and subjective assessments of each individual's contribution to the achievement of our business strategies, including the development of growth opportunities and leadership in carrying out our talent development program. Messrs. Walsh and Sheridan, in their capacities as chief executive officers of the Company and AmeriGas Propane, respectively, had additional goals and objectives for Fiscal 2015, as established during the first quarter of Fiscal 2015. Mr. Walsh's annual goals and objectives included the development of the Company's senior management team, the recruitment of experienced individuals to fill key roles within the organization, achievement of annual financial and strategic goals, and leadership in identifying investment opportunities for the Company and its subsidiaries. Mr. Sheridan's annual goals and objectives for Fiscal 2015 included achievement of annual financial goals, leadership development objectives, and implementation of AmeriGas Propane's growth strategies, including with respect to customer growth and retention and customer service initiatives. All named executive officers received a salary in Fiscal 2015 that was within 90 percent to 110 percent of the midpoint for his or her salary range.

The following table sets forth each named executive officer's Fiscal 2015 salary.

<b>Name</b>	<b>Salary</b>	<b>Percentage Increase over Fiscal 2014 Salary</b>
John L. Walsh	\$ 1,079,728	5.0%
Kirk R. Oliver	\$ 533,182	2.0%
Jerry E. Sheridan	\$ 527,020	4.0%
Monica M. Gaudiosi	\$ 435,006	3.5%
Bradley C. Hall	\$ 391,222	5.0%

**Annual Bonus Awards**

Our annual bonus plans provide our named executive officers with the opportunity to earn an annual cash incentive, provided that certain performance goals are satisfied. Our annual cash incentive is intended to motivate our executives to focus on the achievement of our annual business objectives by providing competitive incentive opportunities to those executives who have the ability to significantly impact our financial performance. We believe that basing a meaningful portion of an executive's compensation on financial performance emphasizes our pay for performance philosophy and will result in the enhancement of shareholder or unitholder value.

In determining each executive position's target award level under our annual bonus plans, we considered database information derived by Pay Governance regarding the percentage of salary payable upon achievement of target goals for executives in similar positions at other companies as described above. In establishing the target award level, we positioned the amount at approximately the 50<sup>th</sup> percentile for comparable positions.

Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi participate in the UGI Corporation Executive Annual Bonus Plan (the "UGI Bonus Plan"), while Mr. Sheridan participates in the AmeriGas Propane, Inc. Executive Annual Bonus Plan (the "AmeriGas Bonus Plan"). For Messrs. Walsh and Oliver and Ms. Gaudiosi, the entire target award opportunity was based on the Company's Adjusted EPS. We believe that annual bonus payments to our most senior executives should reflect our overall financial results for the fiscal year, and Adjusted EPS provides a straightforward, bottom line measure of the performance of an executive in a large, well-established corporation.

For similar reasons, 90 percent of Mr. Sheridan's target award opportunity was based on AmeriGas Partners' Adjusted EBITDA, subject to modification based on achievement of a safety performance goal, as described below. The other 10 percent of Mr. Sheridan's target award opportunity was based on achievement of customer service goals, but contingent on a payout under the financial component of the award. We believe that customer service for AmeriGas Partners is an important component of the bonus calculation because we

- 29 -

---

**Table of Contents**

foresee no or minimal growth in total demand for propane in the next several years, and, therefore, customer service is an important factor in our ability to improve the long-term financial performance of AmeriGas Partners. We also believe that achievement of superior safety performance is an important short-term and long-term strategic initiative and is therefore included as a component of the AmeriGas Propane bonus calculation.

Mr. Hall's target award opportunity was based on the adjusted net income of the Company's Midstream and Marketing business conducted through its subsidiary, UGI Energy Services, and its subsidiary that conducts its electric generation business, UGI Development Company (UGID). Specifically, Mr. Hall's target award opportunity was based (i) 85 percent on the targeted adjusted net income of UGI Energy Services (excluding UGID) and (ii) 15 percent on the targeted net income of UGID.

Each Committee has discretion under our executive annual bonus plans to (i) adjust Adjusted EPS and Adjusted EBITDA for extraordinary items or other events as the Committee deems appropriate, (ii) increase or decrease the amount of an award determined to be payable under the bonus plan by up to 50 percent, and (iii) review quantitative factors (such as Company performance) and qualitative factors (such as individual performance and overall contributions to the Company) when determining the annual bonus to be paid to an executive who terminates employment during the fiscal year on account of retirement, death or disability. The UGI Bonus Plan and the AmeriGas Bonus Plan each provides that, unless the Committee determines otherwise, all executive officers who have not fulfilled their respective equity ownership requirements receive as part of their ongoing compliance up to 10 percent of their gross annual bonus in fully vested UGI Corporation stock or AmeriGas Partners common units, as applicable.

The bonus award opportunity for each of Messrs. Walsh and Oliver and Ms. Gaudiosi was structured so that no amounts would be paid unless the Company's Adjusted EPS was at least 80 percent of the target amount, with the target bonus award being paid out if the Company's Adjusted EPS was 100 percent of the targeted Adjusted EPS. The maximum award, equal to 200 percent of the target award, would be payable if Adjusted EPS equaled or exceeded 120 percent of the Adjusted EPS target. The targeted Adjusted EPS for bonus purposes for Fiscal 2015 was established to be in the range of \$1.88 to \$1.98 per share, and Adjusted EPS for bonus purposes achieved for Fiscal 2015 was \$2.01. The Committee exercised its discretion and adjusted the actual Adjusted EPS to exclude the Fiscal 2015 operating loss associated with the May 29, 2015 acquisition of Finagaz. As a result, Adjusted EPS, as adjusted for purposes of the bonus calculation, was \$2.02 and Messrs. Walsh and Oliver and Ms. Gaudiosi each received a bonus payout equal to 118.9 percent of his or her target award for Fiscal 2015, with Mr. Oliver receiving 10 percent of his payout, and Ms. Gaudiosi receiving 7.4 percent of her payout, in Company stock to satisfy ongoing stock ownership compliance requirements.

For Mr. Sheridan, the 90 percent component of the bonus award opportunity based on Adjusted EBITDA of AmeriGas Partners, subject to modification based on safety performance, was structured so that no amount would be paid unless AmeriGas Partners Adjusted EBITDA was at least 90 percent of the target amount, while 200 percent of the target bonus could be payable if Adjusted EBITDA equaled or exceeded 110 percent of the target amount. The percentage of target bonus payable based on the level of achievement of Adjusted EBITDA is referred to as the Adjusted EBITDA Leverage Factor. The Adjusted EBITDA Leverage Factor is then modified to reflect the degree of achievement of a predetermined safety performance objective tied to AmeriGas Propane's Fiscal 2015 Occupational Safety and Health Administration (OSHA) recordables (Safety Leverage Factor). For Fiscal 2015, the percentage representing the Safety Leverage Factor ranged from 80 percent if the performance target was not achieved, to a maximum of 120 percent if performance exceeded the target. We believe the Safety Leverage Factor for Fiscal 2015 represented an achievable but challenging performance target. Once the Adjusted EBITDA Leverage Factor and Safety Leverage Factor are determined, the Adjusted EBITDA Leverage Factor is multiplied by the Safety Leverage Factor to obtain a total adjusted leverage factor (the Total Adjusted Leverage Factor). The Total Adjusted Leverage

Factor is then multiplied by the target bonus opportunity to arrive at the 90 percent portion of the bonus award payable for the fiscal year. The actual Adjusted EBITDA achieved for Fiscal 2015 was \$619 million. The applicable range for targeted Adjusted EBITDA for bonus purposes for Fiscal 2015 was \$670 million to \$700 million. Mr. Sheridan's remaining 10 percent component of his bonus award

**Table of Contents**

opportunity was based on customer service goals. For Fiscal 2015, AmeriGas Propane engaged a third party company to conduct customer surveys in order to better understand customer satisfaction with services provided by AmeriGas Propane. Each individual survey is given an overall satisfaction score and the scores are then aggregated by the third party company to calculate a total score known as a net promoter score. Mr. Sheridan's award opportunity for the customer service component of his bonus was structured so that no amount would be paid unless the net promoter score was at least 85 percent of the net promoter score target, with the target bonus award being paid out if the net promoter score was 100 percent of the targeted goal. The maximum award, equal to 150 percent of the targeted award, would be payable if the net promoter score exceeded the net promoter score target. Mr. Sheridan received a bonus payout of 150 percent for the 10 percent customer service component of his bonus award opportunity. As a result of the calculation described above, Mr. Sheridan received a total bonus payout equal to 83.6 percent of his target for Fiscal 2015.

For Mr. Hall, the 85 percent component of the bonus award opportunity based on UGI Energy Services' adjusted net income (excluding UGID) was structured so that no amounts would be paid unless UGI Energy Services' adjusted net income was at least 70 percent of the target amount, with the target bonus award being paid out if UGI Energy Services' adjusted net income was 100 percent of the targeted adjusted net income. The maximum award, equal to 150 percent of the target award, would be payable if adjusted net income equaled or exceeded 150 percent of the adjusted net income target. The targeted adjusted net income for bonus purposes for Fiscal 2015 was established to be in the range of \$55 million to \$65 million, and adjusted net income achieved by UGI Energy Services (excluding UGID) for Fiscal 2015 was approximately \$99 million. The 15 percent component of the bonus award opportunity based on UGID's net income was structured so that no amounts would be paid unless UGID's net income was at least 50 percent of the target amount, with the target bonus award being paid out if UGID's net income was 100 percent of the targeted net income. The maximum award, equal to 150 percent of the target award, would be payable if net income equaled or exceeded 150 percent of the net income target. UGID's targeted net income for bonus purposes for Fiscal 2015 was established to be in the range of \$9.0 million to \$11.0 million, and UGID's net income for Fiscal 2015 was approximately \$9 million. As a result of the foregoing, Mr. Hall received a bonus payout equal to 142.5 percent of his target award for Fiscal 2015.

The following annual bonus payments were made for Fiscal 2015:

Name	Percent of Target Bonus Paid	Payout
John L. Walsh	118.9%	\$ 1,604,745
Kirk R. Oliver <sup>(1)</sup>	118.9%	\$ 475,465
Jerry E. Sheridan	83.6%	\$ 352,471
Monica M. Gaudiosi <sup>(1)</sup>	118.9%	\$ 336,194
Bradley C. Hall	142.5%	\$ 334,495

- (1) Mr. Oliver received 10 percent, and Ms. Gaudiosi received 7.4 percent, of their respective annual bonus payments in Company stock in accordance with the Company's stock ownership policy.

***Long-Term Compensation Fiscal 2015 Equity Awards***  
*Background and Determination of Grants Stock Options, Performance Units and Restricted Units*

Our long-term incentive compensation is intended to create a strong financial incentive for achieving or exceeding long-term performance goals and to encourage executives to hold a significant equity stake in our Company in order to align the executives' interests with shareholder interests. Additionally, we believe our long-term incentives provide us the ability to attract and retain talented executives in a competitive market.

Our long-term compensation for Fiscal 2015 included UGI Corporation stock option grants and either UGI Corporation or AmeriGas Partners performance unit awards. Each performance unit represents the right of the recipient to receive a share of common stock or a common unit if specified performance goals and other conditions are met. UGI Corporation stock options and performance units were awarded under the 2013

---

**Table of Contents**

Plan. AmeriGas Partners performance units were awarded under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. (the AmeriGas 2010 Plan ). UGI Corporation stock options generally have a term of ten years and become exercisable in three equal annual installments beginning on the first anniversary of the grant date. Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi were each awarded UGI Corporation performance units tied to the three-year TSR performance of the Company's common stock relative to that of the companies in the Adjusted Russell MidCap Utilities Index. As more particularly set forth below, the AmeriGas Compensation Committee approved a change to the long-term incentive plan design for performance units granted to Mr. Sheridan during Fiscal 2015 to (i) tie a portion of the performance unit award to a customer gain/loss metric, and (ii) apply a modifier to the portion of the performance unit award tied to a relative TUR metric based on the Alerian MLP Index.

As is the case with cash compensation and annual bonus awards, we referenced Pay Governance's analysis of executive compensation database information in establishing equity compensation for the named executive officers. In determining the total dollar value of the long-term compensation opportunity to be provided in Fiscal 2015, we initially referenced (i) median salary information, and (ii) competitive market-based long-term incentive compensation information, both as calculated by Pay Governance.

Except for Mr. Sheridan, we initially applied approximately 50 percent of the amount of the long-term incentive opportunity to stock options and approximately 50 percent to performance units. Because Mr. Sheridan is an executive officer employed by the General Partner, we initially applied approximately 30 percent of the amount of his long-term incentive opportunity to stock options and approximately 70 percent to AmeriGas performance units (of which 30 percent is applied to AmeriGas Partners performance compared to the Alerian MLP Index, as modified by AmeriGas Partners' TUR performance compared to the other two retail propane distribution companies, Ferrellgas Partners, L.P. and Suburban Propane Partners, L.P., included in the Alerian MLP Index (the Propane MLP Group ), and 40 percent is tied to a customer gain/loss performance metric). We believe this bifurcation provides a good balance between two important goals. Because the value of stock options is a function of the appreciation or depreciation of our stock price, stock options are designed to align the executive's interests with shareholder interests. As explained in more detail below, the performance units are designed to encourage increased total shareholder or unitholder return over a period of time.

For Fiscal 2015 equity awards, Pay Governance provided the competitive market incentive levels based on its assessment of accounting values. Pay Governance then provided data for our long-term incentive values by utilizing accounting values. Accounting values are reported directly by companies to the survey databases and are determined in accordance with GAAP.

While management used the Pay Governance calculations as a starting point, in accordance with past practice, management recommended adjustments to the aggregate number of Company stock options and Company and AmeriGas Partners performance units calculated by Pay Governance. The adjustments were designed to address historic grant practices, internal pay equity (both within and among our business units) and the policy of the Company that the three-year average of the annual number of equity awards made under the Company's 2004 Plan and 2013 Plan, as applicable, for the fiscal years 2013 through 2015, expressed as a percentage of common shares outstanding at fiscal year-end, will not exceed 2 percent. For purposes of calculating the annual number of equity awards used in this calculation: (i) each stock option granted is deemed to equal one share, and (ii) each performance unit earned and paid in shares of stock and each stock unit granted and expected to be paid in shares of stock is deemed to equal 4.67 shares. The adjustments generally resulted in (i) a decrease in the number of shares underlying, (ii) a decrease in the number of performance units awarded to Messrs. Walsh and Oliver and Ms. Gaudiosi, and (iii) an increase in the number of performance units awarded to Messrs. Sheridan and Hall, in each case as compared to amounts calculated by Pay Governance using accounting values.





**Table of Contents**

As a result of the Committee's acceptance of management's recommendations, the named executive officers received between approximately 77 percent and 112 percent of the total dollar value of long-term compensation opportunity recommended by Pay Governance using accounting values. The actual grant amounts based on the foregoing analysis are as follows:

<b>Name</b>	<b>Stock Options # Granted</b>	<b>Performance Units # Granted</b>
John L. Walsh	306,000	45,000
Kirk R. Oliver	90,000	13,950
Jerry E. Sheridan	60,000	20,250 <sup>(1)</sup>
Monica M. Gaudiosi	63,000	9,450
Bradley C. Hall	40,500	5,850

- (1) Constitutes AmeriGas Partners performance units. 6,950 performance units are tied to AmeriGas Partners TUR performance compared to the companies in the Alerian MLP Index, as modified by AmeriGas Partners TUR performance compared to the Propane MLP Group, and 13,300 performance units are tied to the customer gain/loss metric.

*Peer Groups and Performance Metrics*

While the number of performance units awarded to the named executive officers was determined as described above, the actual number of shares or units underlying performance units that are paid out at the expiration of the three-year performance period will be based upon the Company's comparative TSR (or AmeriGas Partners' comparative TUR) over the period from January 1, 2015 to December 31, 2017. Specifically, with respect to Company performance units, we will compare the TSR of the Company's common stock relative to the TSR performance of those companies comprising the Adjusted Russell MidCap Utilities Index as of the beginning of the performance period using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of calculation. In computing TSR, the Company uses the average of the daily closing prices for its common stock and the common stock of each company in the Adjusted Russell MidCap Utilities Index for the calendar quarter prior to January 1 of the beginning and end of a given three-year performance period. In addition, TSR gives effect to all dividends throughout the three-year performance period as if they had been reinvested. If a company is added to the Adjusted Russell MidCap Utilities Index during a three-year performance period, we do not include that company in our TSR analysis. We will only remove a company that was included in the Adjusted Russell MidCap Utilities Index at the beginning of a performance period if such company ceases to exist during the applicable performance period. The companies in the Adjusted Russell MidCap Utilities Index as of January 1, 2015 were as follows:

AGL Resources Inc.	FirstEnergy Corp.	Pinnacle West Capital Corp.
Alliant Energy Corporation	Great Plains Energy Inc.	PPL Corporation
Ameren Corporation	Hawaiian Electric Industries, Inc.	Public Service Enterprise Group
American Water Works Company, Inc.	Integrus Energy Group, Inc.	Questar Corporation
Aqua America, Inc.	ITC Holdings Corp.	SCANA Corporation
Atmos Energy Corporation	MDU Resources Group, Inc.	Sempra Energy
Calpine Corporation	National Fuel Gas Company	TECO Energy, Inc.
Centerpoint Energy, Inc.	NiSource Inc.	The AES Corporation

CMS Energy Corporation  
Consolidated Edison, Inc.  
DTE Energy Company  
Edison International  
Energen Corporation  
Entergy Corporation

Northeast Utilities  
NRG Energy, Inc.  
OGE Energy Corp.  
ONEOK, Inc.  
Pepco Holdings, Inc.

UGI Corporation  
Vectren Corporation  
Westar Energy, Inc.  
Wisconsin Energy Corporation  
Xcel Energy Inc.

The Committee determined that the Adjusted Russell MidCap Utilities Index is an appropriate peer group because the companies included in the Russell MidCap Utilities Index generally are comparable to the Company in terms of market capitalization and the Company is included in the Russell MidCap Utilities

**Table of Contents**

Index. The Company, with approval of the Committee, excluded telecommunications companies from the peer group because the nature of the telecommunications business is markedly different from that of other companies in the utilities industry.

As previously discussed, the AmeriGas Compensation Committee approved a change to the long-term incentive plan design for performance units granted to Mr. Sheridan during Fiscal 2015 to (i) tie a portion of the performance unit awards to a customer gain/loss metric, and (ii) apply a modifier to that portion of the performance unit awards subject to a relative TUR metric based on the Alerian MLP Index. The Committee determined that a metric directly tied to customer gains and losses would strengthen the link between pay and performance and advance AmeriGas Partners long-term strategic goals and objectives. As a result of the foregoing, Mr. Sheridan was awarded AmeriGas Partners performance unit awards tied to two different metrics: (i) the three-year TUR performance of AmeriGas Partners common units relative to that of the entities in the Alerian MLP Index, as modified based on the three-year TUR performance of AmeriGas Partners common units relative to that of the other companies in the Propane MLP Group, and (ii) a customer gain/loss metric. The performance units awarded to Mr. Sheridan during Fiscal 2014 included a separate performance metric tied directly to AmeriGas Partners TUR performance compared to the TUR performance of the companies in the Propane MLP Group. For the Fiscal 2015 grants, the Committee believes that a combined metric is more appropriate than stand-alone metrics, given the similarities of the performance metrics, including the fact that the companies in the Propane MLP Group are already included in the Alerian MLP Index.

With respect to AmeriGas Partners performance units tied to the Alerian MLP Index, we will compare the TUR of AmeriGas Partners common units relative to the TUR performance of those entities comprising the Alerian MLP Index as of the beginning of the performance period using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of calculation. In computing TUR, we use the average of the daily closing prices for AmeriGas Partners common units and those of each of the entities in the Alerian MLP Index for the calendar quarter prior to January 1 of the beginning and end of a given three-year performance period. In addition, TUR gives effect to all distributions throughout the three-year performance period as if they had been reinvested. If an entity is added to the Alerian MLP Index during a three-year performance period, we do not include that entity in our TUR analysis. We will only remove a company that was included in the Alerian MLP Index at the beginning of a performance period if such company ceases to exist during the applicable performance period. The companies in the Alerian MLP Index as of January 1, 2015 were as follows:

Access Midstream Partners, L.P.	Exterran Partners, L.P.	NuStar Energy L.P.
Alliance Resource Partners, L.P.	Ferrellgas Partners, L.P.	ONEOK Partners, L.P.
AmeriGas Partners, L.P.	Genesis Energy, L.P.	Plains All American Pipeline, L.P.
Atlas Pipeline Partners, L.P.	Golar LNG Partners, L.P.	Regency Energy Partners LP
Boardwalk Pipeline Partners, L.P.	Holly Energy Partners, L.P.	Spectra Energy Partners, LP
Breitbart Energy Partners, L.P.	Legacy Reserves LP	Suburban Propane Partners, L.P.
Buckeye Partners, L.P.	Linn Energy, LLC	Sunoco Logistics Partners L.P.
Calumet Specialty Products Partners, L.P.	Magellan Midstream Partners, L.P.	TC PipeLines, LP
Crestwood Midstream Partners, LP	Markwest Energy Partners, L.P.	Targa Resources Partners LP
Crosstex Energy, L.P.	Martin Midstream Partners L.P.	Teekay LNG Partners L.P.
DCP Midstream Partners, LP	Memorial Production Partners, L.P.	Teekay Offshore Partners L.P.
Enbridge Energy Partners, L.P.	MPLX, L.P.	Tesora Logistics, L.P.
Energy Transfer Partners, L.P.	Natural Resource Partners L.P.	Vanguard Natural Resources LLC
Enterprise Products Partners L.P.	Navios Maritime Partners L.P.	Western Gas Partners, LP
EQT Midstream Partners, L.P.	NGL Energy Partners, L.P.	Williams Partners L.P.

EV Energy Partners, L.P.

For Company performance units tied to the Adjusted Russell Midcap Utilities Index, the minimum award, equivalent to 25 percent of the number of performance units, will be payable if the Company's TSR rank is at the 25<sup>th</sup> percentile of the Adjusted Russell MidCap Utilities Index. The target award, equivalent to 100 percent of the number of performance units, will be payable if the TSR rank is at the 50<sup>th</sup> percentile. The

- 34 -

---

**Table of Contents**

maximum award, equivalent to 200 percent of the number of performance units, will be payable if the Company's TSR rank is at the 90<sup>th</sup> percentile of the Adjusted Russell MidCap Utilities Index.

The number of AmeriGas Partners common units underlying performance units tied to the Alerian MLP Index will be based upon AmeriGas Partners' TUR rank relative to the Alerian MLP Index entities and is computed using a methodology analogous to that described above with regard to the Company's TSR ranking. The result is then modified based on AmeriGas Partners' TUR performance compared to the Propane MLP Group. If AmeriGas Partners' Alerian TUR performance qualifies for a payout at the conclusion of the three-year period ending December 31, 2017, then that payout would be modified as follows: (i) if AmeriGas Partners' TUR during the three-year period ranks first compared to the other companies in the Propane MLP Group, then the performance unit payout would be leveraged at 130 percent; (ii) if AmeriGas Partners' TUR during the three-year period ranks second compared to the other companies in the Propane MLP Group, then the performance unit payout would be leveraged at 100 percent; and (iii) if AmeriGas Partners' TUR during the three-year period ranks third compared to the other Propane MLP Group companies, then the performance unit payout would be leveraged at 70 percent. The overall payout is capped at 200 percent of the target number of performance units awarded. If one of the other two companies in the Propane MLP Group ceases to exist as a publicly traded company or declares bankruptcy ( Adjustment Event ) during the first year of the performance period, then the performance units will become payable at the end of the three-year performance period based on AmeriGas Partners' TUR performance compared to the Alerian MLP Index and no modification will be made. If an Adjustment Event occurs during the second year of the performance period, then one-half of the modifier would be applied to the payout calculated under the Alerian MLP Index. If an Adjustment Event occurs during the third year of the performance period, then the full Propane MLP Group modifier would be calculated using the TUR as of the day immediately preceding the first public announcement of the Adjustment Event.

The Fiscal 2015 performance units awarded to Mr. Sheridan and tied to customer gain and loss performance will be paid at the conclusion of the three-year performance period ending September 30, 2017 (assuming continued employment through December 31, 2017), but measured based on individual year targets, subject to adjustment based on the achievement of a cumulative three-year performance goal. Achievement of each year's goal is weighted equally at one-third. The adjustment based on the cumulative three-year performance goal can adjust the payout for year one and year two performance by thirty percent, up or down. The overall payout is capped at 200 percent of the target number of performance units awarded. The Committee believes that challenging goals and targets have been established with respect to the customer gain/loss metric for the described performance units. For illustrative purposes, there would have been no payout during at least the last five fiscal years had this metric been in place.

Each award payable to the named executive officers provides a number of the Company's shares or AmeriGas Partners common units equal to the number of performance units earned. After the Committee has determined that the conditions for payment have been satisfied, the Company or AmeriGas Propane, as the case may be, has the authority to provide for a cash payment to the named executives in lieu of a limited number of the shares or common units payable. The cash payment is based on the value of the securities at the end of the performance period and is designed to meet minimum statutory tax withholding requirements. In the event that UGI executives earn shares in excess of the target award, the value of the shares earned in excess of the target is paid entirely in cash.

All performance units have dividend or distribution equivalent rights, as applicable. A dividend equivalent is an amount determined by multiplying the number of performance units credited to the recipient's account by the per-share cash dividend or the per-share fair market value of any non-cash dividend paid by the Company during the performance period on Company shares on a dividend payment date. A distribution equivalent relates to AmeriGas Partners common units and is determined in a similar manner. Accrued dividend and distribution equivalents are payable in cash based on the number of common shares or AmeriGas Partners' common units, if any, paid out at the end of the performance period.



**Table of Contents*****Long-Term Compensation Payout of Performance Units for 2012-2014 Period***

During Fiscal 2015, we paid out awards to those executives who received UGI performance units covering the period from January 1, 2012 to December 31, 2014. For that period, the Company's TSR ranked 2<sup>nd</sup> relative to the other companies in the Russell Midcap Utilities Index, placing the Company at the 97<sup>th</sup> percentile ranking, resulting in a 193.4 percent payout of the target award. Because the payout exceeded 100 percent, the 2004 Plan provides that cash will be paid in lieu of units for any amount in excess of the 100 percent target. AmeriGas Partners' TUR ranked 2<sup>nd</sup> relative to its peer group, placing AmeriGas Partners below the threshold for a payout for Mr. Sheridan. The payouts for Fiscal 2015 on UGI performance unit awards were as follows:

Name	Performance Unit Payout (#) <sup>(1)</sup>	Performance Unit Payout Value <sup>(2)</sup> (\$)	Cash Payout (Award in excess of 100%) (\$)
John L. Walsh	23,272	\$ 1,481,220	\$ 2,152,644
Kirk R. Oliver	10,092	\$ 569,700	\$ 769,125
Monica M. Gaudiosi	10,071	\$ 569,700	\$ 780,366
Bradley C. Hall	7,144	\$ 398,790	\$ 546,194

(1) Number of shares paid out after withholding taxes pursuant to the 2004 Plan.

(2) Includes dividend equivalent payout. Payout value based on performance units awarded before withholding taxes.

***Perquisites and Other Compensation***

We provide limited perquisite opportunities to our executive officers. We provide reimbursement for tax preparation services (discontinued in Fiscal 2011 for newly hired executives) and limited spousal travel. Our named executive officers may also occasionally use the Company's tickets for sporting events for personal rather than business purposes. The aggregate cost of perquisites for all named executive officers in Fiscal 2015 was less than \$10,000.

***Other Benefits***

Our named executive officers participate in various retirement, pension, deferred compensation and severance plans, which are described in greater detail in the Ongoing Plans and Post-Employment Agreements section of this Compensation Discussion and Analysis. We also provide employees, including the named executive officers, with a variety of other benefits, including medical and dental benefits, disability benefits, life insurance, and paid time off for holidays and vacations. These benefits generally are available to all of our full-time employees, although AmeriGas Propane provided certain enhanced disability and life insurance benefits to its senior executives, which for Mr. Sheridan had a total cost in Fiscal 2015 of less than \$5,000.

***ONGOING PLANS AND POST-EMPLOYMENT AGREEMENTS***

We have several plans and agreements (described below) that enable our named executive officers to accrue retirement benefits as the executives continue to work for us, provide severance benefits upon certain types of termination of employment events or provide other forms of deferred compensation.



**Retirement Income Plan for Employees of UGI Utilities, Inc. (the UGI Pension Plan )**

This plan is a tax-qualified defined benefit plan available to, among others, employees of the Company and certain of its subsidiaries. The UGI Pension Plan was closed to new participants as of January 1, 2009. The UGI Pension Plan provides an annual retirement benefit based on an employee's earnings and years of service, subject to maximum benefit limitations. Messrs. Walsh and Hall participate in the UGI Pension

- 36 -

---

**Table of Contents**

Plan. See COMPENSATION OF EXECUTIVE OFFICERS Pension Benefits Table and accompanying narrative, beginning on page 48, for additional information.

**UGI Utilities, Inc. Savings Plan (the UGI Savings Plan )**

This plan is a tax-qualified defined contribution plan available to, among others, employees of the Company. Under the plan, an employee may contribute, subject to Internal Revenue Code (the Code ) limitations (which, among other things, limited annual contributions in 2015 to \$18,000), up to a maximum of 50 percent of his or her eligible compensation on a pre-tax basis and up to 20 percent of his or her eligible compensation on an after-tax basis. The combined maximum of pre-tax and after-tax contributions is 50 percent of his or her eligible compensation. The Company provides matching contributions targeted at 50 percent of the first 3 percent of eligible compensation contributed by the employee in any pay period, and 25 percent of the next 3 percent. For participants entering the UGI Savings Plan on or after January 1, 2009 who are not eligible to participate in the UGI Pension Plan, the Company provides matching contributions targeted at 100 percent of the first 5 percent of eligible compensation contributed by the employee in any pay period. Amounts credited to the employee's account in the plan may be invested among a number of funds, including the Company's stock fund. Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi are eligible to participate in the UGI Savings Plan.

**AmeriGas Propane, Inc. Savings Plan (the AmeriGas Savings Plan )**

This plan is a tax-qualified defined contribution plan for AmeriGas Propane employees. Subject to Code limits, which are the same as described above with respect to the UGI Savings Plan, an employee may contribute, on a pre-tax basis, up to 50 percent of his or her eligible compensation, and AmeriGas Propane provides a matching contribution equal to 100 percent of the first 5 percent of eligible compensation contributed in any pay period. Like the UGI Savings Plan, participants in the AmeriGas Savings Plan may invest amounts credited to their account among a number of funds, including the Company's stock fund. Mr. Sheridan is eligible to participate in the AmeriGas Savings Plan.

**UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan**

*UGI Corporation Supplemental Executive Retirement Plan*

This plan is a nonqualified defined benefit plan that provides retirement benefits that would otherwise be provided under the UGI Pension Plan to employees hired prior to January 1, 2009, but are prohibited from being paid from the UGI Pension Plan by Code limits. The plan also provides additional benefits in the event of certain terminations of employment covered by a change in control agreement. Messrs. Walsh and Hall participate in the UGI Corporation Supplemental Executive Retirement Plan. See COMPENSATION OF EXECUTIVE OFFICERS Pension Benefits Table and accompanying narrative, beginning on page 48, for additional information.

*UGI Corporation Supplemental Savings Plan*

This plan is a nonqualified deferred compensation plan that provides benefits to certain employees that would be provided under the qualified UGI Savings Plan to employees hired prior to January 1, 2009 in the absence of Code limitations. The Supplemental Savings Plan is intended to pay an amount substantially equal to the difference between the Company matching contribution to the qualified UGI Savings Plan and the matching contribution that would have been made under the qualified UGI Savings Plan if the Code limitations were not in effect. At the end of each plan year, a participant's account is credited with earnings equal to the weighted average return on two indices: 60 percent on the total return of the Standard and Poor's 500 Index and 40 percent on the total return of the Barclays Capital U.S. Aggregate Bond Index. The plan also provides additional benefits in the event of certain terminations of employment

covered by a change in control agreement. Messrs. Walsh and Hall are each eligible to participate in the UGI Corporation Supplemental Savings Plan. See COMPENSATION OF EXECUTIVE OFFICERS Nonqualified

**Table of Contents**

Deferred Compensation Table and accompanying narrative, beginning on page 50, for additional information.

**2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees**

The 2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees (the 2009 UGI SERP ) is a nonqualified deferred compensation plan that is intended to provide retirement benefits to executive officers who are not eligible to participate in the UGI Pension Plan, having commenced employment with UGI on or after January 1, 2009. Under the 2009 UGI SERP, the Company credits to each participant s account annually an amount equal to 5 percent of the participant s compensation (salary and annual bonus) up to the Code compensation limit (\$265,000 in 2015) and 10 percent of compensation in excess of such limit. In addition, if any portion of the Company s matching contribution under the UGI Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to the participant s account. Participants direct the investment of their account balances among a number of mutual funds, which are generally the same funds available to participants in the UGI Savings Plan, other than the UGI stock fund. Mr. Oliver and Ms. Gaudiosi are eligible to participate in the 2009 UGI SERP. See COMPENSATION OF EXECUTIVE OFFICERS

Nonqualified Deferred Compensation Table and accompanying narrative, beginning on page 50, for additional information.

**AmeriGas Propane, Inc. Supplemental Executive Retirement Plan**

AmeriGas Propane maintains a supplemental executive retirement plan, which is a nonqualified deferred compensation plan for highly compensated employees of AmeriGas Propane. Under the plan, AmeriGas Propane credits to each participant s account annually an amount equal to 5 percent of the participant s compensation up to the Code compensation limits and 10 percent of compensation in excess of such limit. In addition, if any portion of AmeriGas Propane s matching contribution under the AmeriGas Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to the participant s account. Participants direct the investment of the amounts in their accounts among a number of mutual funds. Mr. Sheridan participates in the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan. See COMPENSATION OF EXECUTIVE OFFICERS Nonqualified Deferred Compensation Table and accompanying narrative, beginning on page 50, for additional information.

**AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan**

AmeriGas Propane maintains a nonqualified deferred compensation plan under which participants may defer up to \$10,000 of their annual compensation. Deferral elections are made annually by eligible participants in respect of compensation to be earned for the following year. Participants may direct the investment of deferred amounts into a number of mutual funds. Payment of amounts accrued for the account of a participant generally is made following the participant s termination of employment. Mr. Sheridan is eligible to participate in the AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan. See COMPENSATION OF EXECUTIVE OFFICERS Nonqualified Deferred Compensation Table and accompanying narrative, beginning on page 50, for additional information.

**UGI Corporation 2009 Deferral Plan, As Amended and Restated Effective June 1, 2010**

This plan provides deferral options that comply with the requirements of Section 409A of the Code related to (i) all stock units and phantom units granted to the Company s and AmeriGas Propane s non-employee Directors, (ii) benefits payable under the UGI Corporation Supplemental Executive Retirement Plan, (iii) the 2009 UGI Corporation SERP, and (iv) benefits payable under the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan. If an eligible participant elects to defer payment under the plan, the participant may receive future benefits after separation from

service as (x) a lump sum payment, (y) annual installment payments over a period between two and ten years, or (z) one to five retirement distribution amounts to be paid in a lump sum in the year specified by the individual. Deferred benefits, other than stock units and

**Table of Contents**

phantom units, will be deemed to be invested in investment funds selected by the participant from among a list of available funds. The plan also provides newly eligible participants with a deferral election that must be acted upon promptly.

**Severance Pay Plans for Senior Executive Employees**

The Company and AmeriGas Propane each maintain a severance pay plan that provides severance compensation to certain senior level employees. The plans are designed to alleviate the financial hardships that may be experienced by executive employee participants whose employment is terminated without just cause, other than in the event of death or disability. The Company's plan covers Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi, and the AmeriGas Propane plan covers Mr. Sheridan. See COMPENSATION OF EXECUTIVE OFFICERS – Potential Payments Upon Termination or Change in Control, beginning on page 51, for further information regarding the severance plans.

**Change in Control Agreements**

The Company has change in control agreements with Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi, and AmeriGas Propane has a change in control agreement with Mr. Sheridan. The change in control agreements are designed to reinforce and encourage the continued attention and dedication of the executives without disruption in the face of potentially distracting circumstances arising from the possibility of the change in control and to serve as an incentive to their continued employment. The agreements provide for payments and other benefits if we terminate an executive's employment without cause or if the executive terminates employment for good reason within two years following a change in control of the Company (and, in the case of Mr. Sheridan, AmeriGas Propane or AmeriGas Partners). See COMPENSATION OF EXECUTIVE OFFICERS – Potential Payments Upon Termination or Change in Control, beginning on page 51, for further information regarding the change in control agreements.

***STOCK OWNERSHIP GUIDELINES***

We seek to align executives' interests with shareholder and unitholder interests through our equity ownership guidelines. We believe that by encouraging our executives to maintain a meaningful equity interest in the Company or, if applicable, AmeriGas Partners, we will enhance the link between our executives and stockholders or unitholders. Under our guidelines, an executive must meet 10 percent of the ownership requirement within one year from the date of employment or promotion. The UGI Bonus Plan and the AmeriGas Bonus Plan each provides that, unless the Committee determines otherwise, all executive officers who have not fulfilled their equity ownership requirement receive up to 10 percent of their gross annual bonus in fully vested UGI Corporation stock or AmeriGas Partners common units. In addition, the guidelines require that 50 percent of the net proceeds from a cashless exercise of stock options be used to purchase stock until the ownership requirement is met. The guidelines also require that, until the share ownership requirement is met, the executive retain all shares or common units received in connection with the payout of performance units. Up to 20 percent of the ownership requirement may be satisfied through holdings of UGI common stock in the executive's account in the relevant savings plan.

As of September 30, 2015, the equity ownership requirements for the named executive officers were as follows: (1) Mr. Walsh – 225,000 shares; (2) Mr. Oliver – 50,000 shares; (3) Ms. Gaudiosi – 30,000 shares; and (4) Mr. Hall – 30,000 shares. Mr. Sheridan is permitted to satisfy his requirements through ownership of UGI common stock, AmeriGas Partners common units, or a combination of UGI common stock and AmeriGas Partners common units, with each AmeriGas Partners common unit equivalent to 1.5 shares of UGI common stock. Mr. Sheridan's ownership requirement is 60,000 shares of UGI Corporation common stock or 40,000 AmeriGas Partners common units. At September 30, 2015, Mr. Walsh's ownership requirement is equivalent to more than 7 times his base salary, while the stock ownership multiple for the other named executive officers ranged from 2.4 times to 4.0 times base salary. Based

on information from Pay Governance, the Committee believes its stock ownership requirements align with market practices. Although not all named executive officers have met their respective ownership requirements due to the amount of time they have served in their current positions, all named executive officers are in compliance

**Table of Contents**

with the Company's guidelines requiring the accumulation of shares, or units in the case of Mr. Sheridan, over time.

***STOCK OPTION GRANT PRACTICES***

The Committees approve annual stock option grants to executive officers in the last calendar quarter of each year, to be effective the following January 1. The exercise price per share of the options is equal to or greater than the closing share price of the Company's common stock on the last trading day of December. A grant to a new employee is generally effective on the later of the date the employee commences employment with us or the date the Committee authorizes the grant. In either case, the exercise price is equal to or greater than the closing price per share of the Company's common stock on the effective date of grant. From time to time, management recommends stock option grants for non-executive employees, and the grants, if approved by the Committee, are effective on or after the date of Committee action and have an exercise price equal to or greater than the closing price per share of the Company's common stock on the effective date of grant. We believe that our stock option grant practices are appropriate and effectively eliminate any question regarding timing of grants in anticipation of material events.

***ROLE OF EXECUTIVE OFFICERS IN DETERMINING EXECUTIVE COMPENSATION***

In connection with Fiscal 2015 compensation, Mr. Walsh, aided by our corporate human resources department, provided statistical data and recommendations to the appropriate Committee to assist it in determining compensation levels. Mr. Walsh did not make recommendations as to his own compensation and was excused from the Committee meeting when his compensation was discussed by the Committee. While the Committees utilized information provided by Mr. Walsh, and valued Mr. Walsh's observations with regard to other executive officers, the ultimate decisions regarding executive compensation were made by the Committee for all named executive officers, except Messrs. Walsh and Sheridan, for whom executive compensation decisions were made by the independent members of the appropriate Board of Directors following Committee recommendations.

***TAX CONSIDERATIONS***

In Fiscal 2015, we paid salary and annual bonus compensation to named executive officers that were not fully deductible under U.S. federal tax law because it did not meet the statutory performance criteria. Section 162(m) of the Code precludes us from deducting certain forms of compensation in excess of \$1,000,000 paid to the named executive officers in any one year. Our policy generally is to preserve the federal income tax deductibility of equity compensation paid to our executives by making it performance-based. We will continue to consider and evaluate all of our compensation programs in light of federal tax law and regulations. Nevertheless, we believe that, in some circumstances, factors other than tax deductibility take precedence in determining the forms and amount of compensation, and we retain the flexibility to authorize compensation that may not be deductible if we believe it is in the best interests of our Company.



**Table of Contents****COMPENSATION OF EXECUTIVE OFFICERS**

The following tables, narrative and footnotes provide information regarding the compensation of our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers in Fiscal 2015.

**Summary Compensation Table Fiscal 2015**  
**Change in Pension**

Name and Principal Position (a)	Fiscal Year (b)	Salary (\$)(1) (c)	Bonus (\$) (d)	Stock Awards (\$)(2) (e)	Option Awards (\$)(2) (f)	Non-Equity Value and Incentive Nonqualified All			Total (\$) (j)
						Plan Compensation (\$)(3) (g)	Deferred Compensation Earnings (\$)(4) (h)	Other Compensation (\$)(5) (i)	
J. L. Walsh	2015	1,078,342	0	1,741,050	1,705,338	1,604,745	1,920,003	67,810	8,117,288
President and Chief	2014	1,027,169	0	2,053,380	1,992,060	1,974,336	1,009,878	41,037	8,097,860
Executive Officer	2013	856,377	0	1,877,710	1,060,319	902,454	481,670	27,262	5,205,792
K. R. Oliver	2015	532,902	0	539,726	501,570	475,465	0	101,087	2,150,750
Chief Financial Officer	2014	522,552	0	635,570	571,795	627,276	0	115,233	2,472,426
	2013	505,096	0	1,019,190 <sup>(6)</sup>	437,813	370,414	0	172,016	2,504,529
J. E. Sheridan	2015	526,474	0	1,300,299	319,920	352,471	0	88,145	2,587,309
President and Chief	2014	506,018	0	877,682 <sup>(7)</sup>	420,546	302,834	0	110,391	2,206,756
Executive Officer of AmeriGas Propane, Inc.	2013	474,539	0	678,156 <sup>(8)</sup>	338,366	255,371	0	76,241	1,822,673
M. M. Gaudiosi	2015	434,611	0	365,621	351,099	336,194	0	72,447	1,559,972
Vice President, General Counsel and Secretary	2014	420,007	45,000 <sup>(9)</sup>	415,565	368,900	437,102	0	85,545	1,772,119
	2013	407,890	0	382,700	237,450	234,789	0	61,812	1,324,641
B. C. Hall	2015	390,723	0	226,337	225,707	334,494	883,713	18,265	2,079,239

President of UGI Enterprises, Inc.	2014	372,269	0	259,117	250,852	430,353	791,098	12,322	2,116,011
	2013	357,712	0	229,620	199,458	181,420	276,833	7,673	1,252,716

- (1) The amounts shown in column (c) represent salary payments actually received during the fiscal year shown based on the number of pay periods within such fiscal year. Mr. Walsh's Fiscal 2013 salary reflects the portion of Fiscal 2013 that he served as President and Chief Operating Officer (until April 1, 2013) as well as his promotion to President and Chief Executive Officer (effective April 1, 2013).
- (2) The amounts shown in columns (e) and (f) represent the aggregate fair value of awards of performance units and stock options on the date of grant. The assumptions used in the calculation of the amounts shown are included in Note 2 and Note 14 to our audited consolidated financial statements for Fiscal 2015, which are included in our Annual Report on Form 10-K. See the Grants of Plan-Based Awards Table for information on awards of performance units and stock options made in Fiscal 2015.
- (3) The amounts shown in this column represent payments made under the applicable performance-based annual bonus plan. Mr. Oliver received 10%, and Ms. Gaudiosi received 7.4%, of their respective payouts in UGI Corporation common stock in compliance with the Company's ongoing stock ownership requirements.
- (4) The amounts shown in column (h) of the Summary Compensation Table reflect (i) the change from September 30, 2014 to September 30, 2015 in the actuarial present value of the named executive officer's accumulated benefit under the Company's defined benefit and actuarial pension plans, including the UGI Corporation Supplemental Executive Retirement Plan, and (ii) the above-market portion of earnings, if any, on nonqualified deferred compensation accounts. The change in pension value from year to year as reported in this column is subject to market volatility and may not represent the value that a named executive officer will actually accrue under the Company's pension plans during any given year. The material terms of the Company's pension plans and deferred compensation plans are described in the Pension Benefits Table and the Nonqualified Deferred Compensation Table, and the related narratives to each. Earnings on deferred compensation are considered above-market to the extent that the rate of interest exceeds 120 percent of the applicable federal long-term rate. For purposes of the Summary Compensation Table, the market rate on deferred compensation most analogous to the rate at the time the interest rate is set under the Company's plan for Fiscal 2015 was 3.29 percent, which is 120 percent of the federal long-term rate for December 2014. Earnings on deferred compensation for Messrs. Oliver and Sheridan and Ms. Gaudiosi are market-based, and calculated in the same manner.

**Table of Contents**

and at the same rate as earnings on externally managed investments available in a broad-based qualified plan. The amounts included in column (h) of the Summary Compensation Table are itemized below.

<b>Name</b>	<b>Change in Pension Value (\$)</b>	<b>Above-Market Earnings on Deferred Compensation (\$)</b>
John L. Walsh	1,893,089	26,914
Kirk R. Oliver	0	0
Jerry E. Sheridan	0	0
Monica M. Gaudiosi	0	0
Bradley C. Hall	876,162	7,551

- (5) The table below shows the components of the amounts included for each named executive officer under column (i), All Other Compensation, in the Summary Compensation Table. None of the named executive officers received perquisites with an aggregate value of \$10,000 or more during Fiscal 2015.

<b>Employer Contribution to UGI Supplemental Savings Plan and 2009 Supplemental Executive Retirement Plan for New Employees; AmeriGas Propane, Inc. Supplemental Executive Retirement Plan</b>			
<b>Employer Contribution to 401(k) Savings Plan</b>	<b>(\$)</b>	<b>(\$)</b>	<b>Total (\$)</b>
John L. Walsh	5,865	61,945	\$ 67,810
Kirk R. Oliver	13,250	87,837	\$101,087
Jerry E. Sheridan	13,250	74,895	\$ 88,145
Monica M. Gaudiosi	8,366	64,081	\$ 72,447
Bradley C. Hall	5,963	12,302	\$ 18,265

- (6) Includes 15,000 UGI performance units granted effective October 1, 2012 in connection with the commencement of Mr. Oliver's employment.

- (7) Includes 3,189 AmeriGas Partners restricted units awarded to Mr. Sheridan during Fiscal 2014.

- (8) Includes 1,821 AmeriGas Partners phantom units with distribution equivalents awarded to Mr. Sheridan during Fiscal 2013 in recognition of his contributions and leadership with respect to the acquisition and integration of Heritage Propane.
- (9) Discretionary bonus awarded to Ms. Gaudiosi in recognition of her outstanding contributions and exceptional leadership during Fiscal 2014.

- 42 -

**Table of Contents****Grants of Plan-Based Awards in Fiscal 2015**

The following table and footnotes provide information regarding equity and non-equity plan grants to the named executive officers in Fiscal 2015.

<b>Grants of Plan-Based Awards Table Fiscal 2015</b>														
	Grant	Board Action	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares		All Other Option Awards: Number of Securities		Exercise or Base Price of	Grant Date Value of Stock and Options
			Thres-hold	Target	Maximum	Thres-hold	Target	Maximum	of Stock or Units	Options	Option Awards			
	Date	Date	(\$)	(\$)	(\$)	(#)	(#)	(#)	(#)	(#)	(#)	(\$/Sh)	(\$)	
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
	10/01/14	11/19/14	809,796	1,349,660	2,699,320									
	01/01/15	11/19/14								306,000		37.98	1,705	
	01/01/15	11/19/14				11,250	45,000	90,000					1,741	
	10/01/14	11/19/14	239,932	399,887	799,773									
	01/01/15	11/19/14								90,000		37.98	501	
	01/01/15	11/19/14				3,487	13,950	27,800					539	
an	10/01/14	11/20/14	182,138	421,616	843,232									
	01/21/15	01/21/15								60,000		38.05	319	
	01/21/15	01/21/15				1,737	6,950	13,900					601	
	01/21/15	01/21/15				3,325	13,300	26,600					698	
osi	10/01/14	11/19/14	169,652	282,754	565,508									
	01/01/15	11/19/14								63,000		37.98	351	
	01/01/15	11/19/14				2,362	9,450	18,900					365	
	10/01/14	11/19/14	137,319	234,733	352,100									
	01/01/15	11/19/14								40,500		37.98	225	
	01/01/15	11/19/14				1,462	5,850	11,700					226	

(1) The amounts shown under this heading relate to bonus opportunities under the relevant company's annual bonus plan for Fiscal 2015. See Compensation Discussion and Analysis for a description of the annual bonus plans. Payments for these awards have already been determined and are included in the Non-Equity Incentive Plan

Compensation column (column (g)) of the Summary Compensation Table. The threshold amount shown for Messrs. Walsh and Oliver and Ms. Gaudiosi is based on achievement of 80 percent of the financial goal. The threshold amount shown for Mr. Sheridan is based on achievement of (i) 90 percent of the financial goal with the resulting amount reduced to the maximum extent provided for below-target achievement of the safety modifier goal, and (ii) 90 percent of the customer service goal. The threshold amount shown for Mr. Hall is based on achievement of (i) 70 percent of the UGI Energy Services, financial goal (excluding UGID) and (ii) 50 percent of the UGID financial goal.

- (2) The awards shown for Messrs. Walsh, Oliver, and Hall and Ms. Gaudiosi are performance units under the Company's 2013 Plan, as described in the Compensation Discussion and Analysis. Performance units are forfeitable until the end of the performance period in the event of termination of employment, with pro-rated forfeitures in the case of termination of employment or service as a Director due to retirement, death or disability. In the case of a change in control of the Company, outstanding performance units and dividend or distribution equivalents will be paid in cash in an amount equal to the greater of (i) the target award, or (ii) the award amount that would be payable if the performance period ended on the date of the change in control, based on the Company's achievement of the performance goal as of the date of the change in control, as determined by the Committee.

The awards shown for Mr. Sheridan are performance units under the AmeriGas 2010 Plan, as described in the Compensation Discussion and Analysis. Terms of these awards with respect to forfeitures and change in control, as defined in the AmeriGas 2010 Plan, are fashioned in a similar manner to the terms of the performance units granted under the Company's 2013 Plan.

**Table of Contents**

- (3) Options are granted under the Company's 2013 Plan. Under the Company's 2013 Plan, the option exercise price is not less than 100 percent of the fair market value of the Company's common stock on the effective date of the grant, which is either the date of the grant or a specified future date. The term of each option is generally ten years, which is the maximum allowable term. The options become exercisable in three equal annual installments beginning on the first anniversary of the grant date. All options are nontransferable and generally exercisable only while the optionee is employed by the Company or an affiliate, with exceptions for exercise following termination without cause, retirement, disability or death. In the case of termination without cause, the option will be exercisable only to the extent that it has vested as of the date of termination of employment and the option will terminate upon the earlier of the expiration date of the option and the expiration of the 13-month period commencing on the date of termination of employment. If termination of employment occurs due to retirement, the option will thereafter become exercisable as if the optionee had continued to be employed by, or continued to provide service to, the Company, and the option will terminate upon the original expiration date of the option. If termination of employment occurs due to disability, the option term is shortened to the earlier of the third anniversary of the date of such termination of employment and the original expiration date, and vesting continues in accordance with the original vesting schedule. In the event of death of the optionee while an employee, the option will become fully vested and the option term will be shortened to the earlier of the expiration of the 12-month period following the optionee's death and the original expiration date. Options are subject to adjustment in the event of recapitalizations, stock splits, mergers, and other similar corporate transactions affecting the Company's common stock. In the event of a change in control, unvested options become exercisable.

**Table of Contents****Outstanding Equity Awards at Year-End**

The following table shows the outstanding stock option and performance unit awards held by the named executive officers at September 30, 2015.

Name	Outstanding Equity Awards at Year-End Table				Fiscal 2015			
	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercisable Options	Option Exercise Price	Option Expiration Date	Number of Shares or Market Units of Stock That Have Not Vested	Value of Units of Stock That Have Not Vested	Unearned Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
J. L. Walsh	100,000 <sup>(1)</sup>		16.28	12/31/2018	0	0	34,500 <sup>(12)</sup>	\$ 2,378,554
	187,500 <sup>(2)</sup>		16.13	12/31/2019			31,500 <sup>(13)</sup>	\$ 2,171,723
	187,500 <sup>(3)</sup>		21.06	12/31/2020			63,000 <sup>(14)</sup>	\$ 2,193,660
	187,500 <sup>(4)</sup>		19.60	12/31/2021			45,000 <sup>(15)</sup>	\$ 1,566,900
	119,000 <sup>(5)</sup>	59,500 <sup>(5)</sup>	21.81	12/31/2022				
	86,000 <sup>(6)</sup>	43,000 <sup>(6)</sup>	25.50	03/31/2023				
	135,000 <sup>(7)</sup>	270,000 <sup>(7)</sup>	27.64	12/31/2023				
		306,000 <sup>(8)</sup>	37.98	12/31/2024				
K. R. Oliver	28,125 <sup>(9)</sup>	37,500 <sup>(5)</sup>	20.74	09/30/2022	0	0	25,500 <sup>(12)</sup>	\$ 1,758,062
	75,000 <sup>(5)</sup>	77,500 <sup>(7)</sup>	21.81	12/31/2022			19,500 <sup>(14)</sup>	\$ 678,990
	38,750 <sup>(7)</sup>	90,000 <sup>(8)</sup>	27.64	12/31/2023			13,950 <sup>(15)</sup>	\$ 485,739
			37.98	12/31/2024				



Edgar Filing: UGI CORP /PA/ - Form DEF 14A

J. E. Sheridan		35,625 <sup>(5)</sup>	21.81	12/31/2022	0	0	14,250 <sup>(16)</sup>	\$	929,151
		57,000 <sup>(7)</sup>	27.64	12/31/2023			9,500 <sup>(17)</sup>	\$	394,535
		60,000 <sup>(10)</sup>	38.05	01/20/2025			8,000 <sup>(18)</sup>	\$	332,240
							6,950 <sup>(19)</sup>	\$	288,634
							13,300 <sup>(20)</sup>	\$	552,349
M. M. Gaudiosi	75,000 <sup>(11)</sup>	25,000 <sup>(3)</sup>	17.75	04/22/2022	0	0	15,000 <sup>(12)</sup>	\$	1,034,154
	50,000 <sup>(5)</sup>	50,000 <sup>(7)</sup>	21.81	12/31/2022			12,750 <sup>(14)</sup>	\$	443,955
	25,000 <sup>(7)</sup>	63,000 <sup>(8)</sup>	27.64	12/31/2023			9,450 <sup>(15)</sup>	\$	329,049
			37.98	12/31/2024					
B. C. Hall	63,000 <sup>(3)</sup>		21.06	12/31/2020	0	0	9,000 <sup>(12)</sup>	\$	620,492
	63,000 <sup>(4)</sup>		19.60	12/31/2021			7,950 <sup>(14)</sup>	\$	276,819
	42,000 <sup>(5)</sup>	21,000 <sup>(5)</sup>	21.81	12/31/2022			5,850 <sup>(15)</sup>	\$	203,697
	17,000 <sup>(7)</sup>	34,000 <sup>(7)</sup>	27.64	12/31/2024					
		40,500 <sup>(8)</sup>	37.98						

**Note:** Column (d) was intentionally omitted.

- (1) These options were granted effective January 1, 2009 and were fully vested on January 1, 2012.
- (2) These options were granted effective January 1, 2010 and were fully vested on January 1, 2013.
- (3) These options were granted effective January 1, 2011 and were fully vested on January 1, 2014.
- (4) These options were granted effective January 1, 2012 and were fully vested on January 1, 2015.
- (5) These options were granted effective January 1, 2013. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2016.
- (6) These options were granted effective April 1, 2013 in connection with Mr. Walsh's promotion to Chief Executive Officer in 2013. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on April 1, 2016.
- (7) These options were granted effective January 1, 2014. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2017.
- (8) These options were granted effective January 1, 2015. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2018.
- (9) These options were granted effective October 1, 2012. These options vest 33 1/3 percent on each anniversary of the grant date and were fully vested on October 1, 2015.
- (10) These options were granted effective January 21, 2015. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 21, 2018.

---

**Table of Contents**

- (11) These options were granted effective April 23, 2012. These options vest 33 1/3 percent on each anniversary of the grant date and were fully vested on April 23, 2015.
- (12) The amount shown relates to a target award of performance units granted effective January 24, 2013. The performance measurement period for these performance units is January 1, 2013 through December 31, 2015. The value of the number of performance units that may be earned at the end of the performance period is based on the Company's TSR relative to that of each of the companies in the Russell Midcap Utility Index, excluding telecommunications companies, as of the first day of the performance measurement period. The actual number of performance units and accompanying dividend equivalents earned may be higher (up to 200 percent of the target award) or lower than the amount shown, based on TSR performance through the end of the performance period. The performance units will be payable, if at all, on January 1, 2016. As of October 31, 2015, the Company's TSR ranking (4<sup>th</sup> out of 36 companies) qualified for 200 percent leverage of the target number of performance units originally granted. See COMPENSATION DISCUSSION AND ANALYSIS Long-Term Compensation Fiscal 2015 Equity Awards for more information on the TSR performance goal measurements.
- (13) These performance units were awarded April 1, 2013 in connection with Mr. Walsh's promotion to Chief Executive Officer in 2013. The measurement period is the same as described in footnote 12 and the performance goal is the same as described in footnote 12. The performance units will be payable, if at all, on January 1, 2016.
- (14) These performance units were awarded January 1, 2014. The measurement period for the performance goal is January 1, 2014 through December 31, 2016. The performance goal is the same as described in footnote 12, but is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2017.
- (15) These performance units were awarded January 1, 2015. The measurement period for the performance goal is January 1, 2015 through December 31, 2017. The performance goal is the same as described in footnote 12, but is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2018.
- (16) The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 1, 2013. The performance measurement period for these performance units is January 1, 2013 through December 31, 2015. The value of the number of units that may be earned at the end of the performance period is based on the AmeriGas Partners TUR relative to that of each of the master limited partnerships in the Alerian MLP Index as of the first day of the performance measurement period. The actual number of performance units and accompanying distribution equivalents earned may be higher (up to 200 percent of the target award) or lower than the amount shown, based on TUR performance through the end of the performance period. The performance units will be payable, if at all, on January 1, 2016. As of October 31, 2015, the AmeriGas Partners TUR ranking (1<sup>st</sup> out of 38 companies) qualified for 157 percent leverage of the target number of performance units originally granted. See COMPENSATION DISCUSSION AND ANALYSIS Long-Term Compensation Fiscal 2015 Equity Awards for more information on the TUR performance goal measurements.
- (17) These performance units were awarded January 1, 2014. The measurement period for the performance goal is January 1, 2014 through December 31, 2016. The performance goal is the same as described in footnote 16, but it is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2017.
- (18) These performance units were granted effective January 1, 2014. The performance measurement period for these performance units is January 1, 2014 through December 31, 2016. The value of the number of performance units that may be earned at the end of the performance period is based on the AmeriGas Partners TUR relative to that of each of the other two retail propane distribution companies included in the Alerian MLP Index as of the first day of the performance measurement period. No payout will occur unless AmeriGas Partners has the highest TUR for the performance period as compared to the other

companies in the Propane MLP Group. The target, equivalent to 100 percent of the number of performance units, and maximum award, equivalent to 150 percent of the number of performance units, will be payable if AmeriGas Partners has the highest TUR of the companies comprising the Propane MLP Group. The performance units will be payable, if at all, on January 1, 2017. See COMPENSATION DISCUSSION AND ANALYSIS Long-Term Compensation Fiscal 2015 Equity Awards for more information on the TUR performance goal measurements.

- (19) The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 21, 2015. The performance measurement period for these performance units is January 1, 2015 through December 31, 2017. The value of the number of performance units that may be earned at the end of the performance period is based on the AmeriGas Partners TUR relative to that of each of the master limited partnerships in the Alerian MLP Index as of the first day of the performance measurement period, and then modified based on AmeriGas Partners three-year TUR relative to the TUR of the other companies in the Propane MLP Group. The actual number of performance units and accompanying distribution equivalents earned may be higher (up to 200 percent of the target award) or lower than the amount shown, based on TUR performance through the end of the performance period. This number is then modified as follows: (i) if

**Table of Contents**

AmeriGas Partners TUR ranks first in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 130 percent; (ii) if AmeriGas Partners TUR ranks second in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 100 percent; and (iii) if AmeriGas Partners TUR ranks third in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 70 percent. The overall payout is capped at 200 percent of the target number of performance units awarded. The performance units will be payable, if at all, on January 1, 2018. See COMPENSATION DISCUSSION AND ANALYSIS Long-Term Compensation Fiscal 2015 Equity Awards for more information on the TUR performance goal measurements.

- (20) The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 21, 2015. The performance measurement period for these performance units is October 1, 2015 through September 30, 2017, but will be payable, if at all, on January 1, 2018. The value of the number of performance units that may be earned at the end of the performance period is based on AmeriGas Partners customer gain/loss performance during the three-year performance period, measured based on annual targets, each with a one-third weighting. The annual amounts are then subject to adjustment depending on the overall achievement of a cumulative three-year performance goal. If the three-year cumulative customer gain/loss goal is exceeded, then the individual result for years one and two will be multiplied by 130 percent. If the three-year cumulative customer gain/loss goal is not met, then the individual result for years one and two will be multiplied by 70 percent. The overall payout is capped at 200 percent of the target number of performance units awarded. Based on customer gain/loss performance during Fiscal 2015, the year one target was not achieved. See COMPENSATION DISCUSSION AND ANALYSIS Long-Term Compensation Fiscal 2015 Equity Awards for more information on the TUR performance goal measurements.

**Option Exercises and Stock Vested in Fiscal 2015**

The following table sets forth (i) the number of shares of UGI Corporation common stock acquired by the named executive officers in Fiscal 2015 from the exercise of stock options, (ii) the value realized by those officers upon the exercise of stock options based on the difference between the market price for our common stock on the date of exercise and the exercise price for the options, (iii) the number of performance units and stock units previously granted to the named executive officers that vested in Fiscal 2015, and (iv) the value realized by those officers upon the vesting of such units based on the closing market price for shares of our common stock, or for Mr. Sheridan, common units of AmeriGas Partners, on the vesting date.

**Option Exercises and Stock Vested Table Fiscal 2015**

Name	Option Awards		Stock Awards	
	Number of Shares	Value Realized on	Number of	Value Realized
	Acquired on Exercise	Exercise	Shares Acquired on Vesting	on Vesting
(a)	(#)	(\$)	(#)	(\$)
	(b)	(c)	(d)	(e)
J. L. Walsh	87,500	1,705,375	75,426	2,864,679
K. R. Oliver	0	0	29,010	1,101,800
J. E. Sheridan	100,125	1,305,940	5,010	251,022
M. M. Gaudiosi	0	0	29,010	1,101,800
B. C. Hall	55,500	1,224,891	20,307	771,260



**Table of Contents****Pension Benefits**

The following table shows (i) the number of years of credited service for the named executive officers under the Company's defined benefit retirement plan (which we refer to below as the UGI Utilities, Inc. Retirement Plan) and its supplemental executive retirement plan (which we refer to below as the UGI SERP), (ii) the actuarial present value of accumulated benefits under those plans as of September 30, 2015, and (iii) any payments made to the named executive officers in Fiscal 2015 under those plans.

<b>Pension Benefits Table Fiscal 2015</b>				
<b>Name</b>	<b>Plan Name</b>	<b>Number of Years of Credited Service</b>	<b>Present Value of Accumulated Benefit</b>	<b>Payments During Last Fiscal Year</b>
(a)	(b)	(#) (c)	(\$) (d)	(\$) (e)
J. L. Walsh	UGI SERP	10	4,998,106	0
	UGI Utilities, Inc. Retirement Income Plan	10	554,435	0
K. R. Oliver	None	0	0	0
J. E. Sheridan	None	0	0	0
M. M. Gaudiosi	None	0	0	0
B. C. Hall	UGI SERP	33	2,843,468	0
	UGI Utilities, Inc. Retirement Income Plan	33	1,846,914	0

The Company participates in the UGI Pension Plan, to provide retirement income to its employees hired prior to January 1, 2009. The UGI Pension Plan pays benefits based upon final average earnings, consisting of base salary or wages and annual bonuses and years of credited service. Benefits vest after the participant completes five years of vesting service.

The UGI Pension Plan provides normal annual retirement benefits at age 65, unreduced early retirement benefits at age 62 with ten years of service and reduced, but subsidized, early retirement benefits at age 55 with ten years of service. Employees terminating prior to early retirement eligibility are eligible to receive a benefit under the plan formula commencing at age 65 or an unsubsidized benefit as early as age 55, provided they had 10 years of service at termination. Employees who have attained age 50 with 15 years of service and are involuntarily terminated by the Company prior to age 55 are also eligible for subsidized early retirement benefits, beginning at age 55.

The UGI Pension Plan's normal retirement benefit formula is (A) (B) and is shown below:

A = The lower of (1) and (2), where

(1) = 1.9% of five-year final average earnings (as defined in the UGI Pension Plan) multiplied by years of service;

(2) = 60% of the highest year of earnings; and

B = 1% of the estimated primary Social Security benefit multiplied by years of service.

The amount of the benefit produced by the formula will be reduced by an early retirement factor based on the employee's actual age in years and months as of his early retirement date. The reduction factors range from 65 percent at age 55 to 100 percent (no reduction) at age 62.

The normal form of benefit under the UGI Pension Plan for a married employee is a 50 percent joint and survivor lifetime annuity. Regardless of marital status, a participant may choose from a number of lifetime annuity payments.

The UGI Pension Plan is subject to qualified-plan Code limits on the amount of annual benefit that may be paid, and on the amount of compensation that may be taken into account in calculating retirement benefits under the plan. For plan year 2015, the limit on the compensation that may be used is \$265,000 and the limit

**Table of Contents**

on annual benefits payable for an employee retiring at age 65 in 2015 is \$210,000. Benefits in excess of those permitted under the statutory limits are paid from the Company's Supplemental Executive Retirement Plan, described below.

Messrs. Walsh and Hall are currently eligible for early retirement benefits under the UGI Pension Plan.

**UGI Corporation Supplemental Executive Retirement Plan**

The UGI SERP is a non-qualified defined benefit plan that provides retirement benefits that would otherwise be provided under the UGI Pension Plan to employees hired prior to January 1, 2009, but are prohibited from being paid from the UGI Pension Plan by Code limits. The benefit paid by the SERP is approximately equal to the difference between the benefits provided under the UGI Pension Plan to eligible participants and benefits that would have been provided by the UGI Pension Plan if not for the limitations of the Employee Retirement Income Security Act of 1974, as amended, and the Code. Benefits vest after the participant completes 5 years of vesting service. The benefits earned under the SERP are payable in the form of a lump sum payment or rolled over to the Company's nonqualified deferred compensation plan. For participants who attained age 50 prior to January 1, 2004, the lump sum payment is calculated using two interest rates. One rate is for the service prior to January 1, 2004 and the other is for service after January 1, 2004. The rate for pre-January 1, 2004 service is the daily average of Moody's Aaa bond yields for the month in which the participant's termination date occurs, plus 50 basis points, and tax-adjusted using the highest marginal federal tax rate. The interest rate for post-January 1, 2004 service is the daily average of ten-year Treasury Bond yields in effect for the month in which the participant's termination date occurs. The latter rate is used for calculating the lump sum payment for participants attaining age 50 on or after January 1, 2004. Payment is due within 60 days after the termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following separation from service as defined in the Code.

**Actuarial assumptions used to determine values in the Pension Benefits Table Fiscal 2015**

The amounts shown in the Pension Benefit Table above are actuarial present values of the benefits accumulated through September 30, 2015. An actuarial present value is calculated by estimating expected future payments starting at an assumed retirement age, weighting the estimated payments by the estimated probability of surviving to each post-retirement age, and discounting the weighted payments at an assumed discount rate to reflect the time value of money. The actuarial present value represents an estimate of the amount which, if invested today at the discount rate, would be sufficient on an average basis to provide estimated future payments based on the current accumulated benefit. The assumed retirement age for each named executive is age 62, which is the earliest age at which the executive could retire without any benefit reduction due to age. Actual benefit present values will vary from these estimates depending on many factors, including an executive's actual retirement age. The key assumptions included in the calculations are as follows:

	September 30, 2015	September 30, 2014
Discount rate for UGI Pension Plan for		
all purposes and for SERP, for	4.60%	4.60%
pre-commencement calculations		



Edgar Filing: UGI CORP /PA/ - Form DEF 14A

SERP lump sum rate	2.70% for applicable pre-2004 service;	2.70% for applicable pre-2004 service;
	2.10% for other service	2.50% for other service
Retirement age	62	62
Postretirement mortality for Pension	RP-2014 blue collar table, adjusted to 2006 using MP-2014 with rates then decreased by 4.3%; projected forward on a generational basis using Scale BB-2D	RP-2000, combined, healthy table projected to 2021 using Scale AA without collar adjustments
Plan		
Postretirement Mortality for SERP	1994 GAR Unisex	1994 GAR Unisex
Preretirement Mortality	none	none
Termination and disability rates	none	none
Form of payment qualified plan	Single life annuity	Single life annuity
Form of payment nonqualified plan	Lump sum	Lump sum

**Table of Contents****Nonqualified Deferred Compensation**

The following table shows the contributions, earnings, withdrawals and account balances for each of the named executive officers who participate in the Company's Supplemental Savings Plan, the 2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees, the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan ( AmeriGas SERP ), and the AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan.

Name	Plan Name (a)	Nonqualified Deferred Compensation Table		Fiscal 2015		Aggregate Balance at Last Fiscal Year-End (\$)(4) (f)
		Executive Contributions in Last Fiscal Year (\$) (b)	Employer Contributions in Last Fiscal Year (\$) (c)	Earnings in Last Fiscal Year (\$) (d)	Aggregate Withdrawals/ Distributions (\$) (e)	
J. L. Walsh	UGI Supplemental Savings Plan	0	61,945 <sup>(1)</sup>	29,349	0	368,175
K. R. Oliver	2009 UGI SERP for New Employees	0	87,837	2,920	0	173,959
J. E. Sheridan	AmeriGas SERP	0	74,895 <sup>(3)</sup>	17,487	0	492,011
M. M. Gaudiosi	2009 UGI SERP for New Employees	0	64,081	3,245	0	149,650
B. C. Hall	UGI Supplemental Savings Plan	0	12,302 <sup>(1)</sup>	8,721	0	103,294

(1) This amount represents the employer contribution to the Company's Supplemental Savings Plan, which is also reported in the Summary Compensation Table in the All Other Compensation column.

(2) This amount represents the employer contribution to the UGI SERP, which is also reported in the Summary Compensation Table in the All Other Compensation column.

(3) This amount represents the employer contribution to the AmeriGas SERP, which is also reported in the Summary Compensation Table in the All Other Compensation column.

(4) The aggregate balances do not include the Company contributions for Fiscal 2015 set forth in column (c) since the Company contributions occur after fiscal year-end. The aggregate balances include the following aggregate amounts previously reported in the Summary Compensation Table in prior years: Mr. Walsh, \$323,573; Mr. Oliver, \$190,070; Mr. Sheridan, \$179,117; Ms. Gaudiosi, \$158,218; and Mr. Hall, \$43,327.

The UGI Corporation Supplemental Savings Plan ( SSP ) is a nonqualified deferred compensation plan that provides benefits to certain employees that would be provided under the Company's 401(k) Savings Plan in the absence of Code

limitations. Benefits vest after the participant completes five years of service. The SSP is intended to pay an amount substantially equal to the difference between the Company matching contribution that would have been made under the 401(k) Savings Plan if the Code limitations were not in effect and the Company match actually made under the 401(k) Savings Plan. The Code compensation limit for plan year 2013 was \$250,000, for plan year 2014 was \$255,000 and for plan year 2015 was \$260,000. The Code contribution limit for plan year 2013 was \$50,000, for plan year 2014 was \$51,000 and for plan year 2015 was \$52,000. Under the SSP, the participant is credited with a Company match on compensation in excess of Code limits using the same formula applicable to contributions to the Company's 401(k) Savings Plan, which is a match of 50 percent on the first 3 percent of eligible compensation, and a match of 25 percent on the next 3 percent, assuming that the employee contributed to the 401(k) Savings Plan the lesser of 6 percent of eligible compensation and the maximum amount permissible under the Code. Amounts credited to the participant's account are credited with interest. The rate of interest currently in effect is the rate produced by blending the annual return on the Standard and Poor's 500 Index (60 percent weighting) and the annual return on the Barclays Capital U.S. Aggregate Bond Index (40 percent weighting). Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following separation from service as defined in the Code.

The AmeriGas SERP is a nonqualified deferred compensation plan that is intended to provide retirement benefits to certain AmeriGas Propane employees. Under the plan, AmeriGas Propane credits to each

**Table of Contents**

participant's account annually an amount equal to 5 percent of the participant's compensation (salary and annual bonus) up to the Code compensation limit (\$265,000 in plan year 2015) and 10 percent of compensation in excess of such limit. In addition, if any portion of AmeriGas Propane's matching contribution under the AmeriGas Propane, Inc. 401(k) Savings Plan ( AmeriGas 401(k) Savings Plan ) is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to the participant's account. Benefits vest on the fifth anniversary of a participant's employment commencement date. Participants direct the investment of their account balances among a number of funds, which are generally the same funds available to participants in the AmeriGas 401(k) Savings Plan, other than the UGI Corporation stock fund. Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following separation from service as defined in the Code. Amounts payable under the AmeriGas SERP may be deferred in accordance with the Company's 2009 Deferral Plan. See COMPENSATION DISCUSSION AND ANALYSIS UGI Corporation 2009 Deferral Plan, page 38.

The AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan is a nonqualified deferred compensation plan that provides benefits to certain employees that would otherwise be provided under the AmeriGas 401(k) Savings Plan. The plan is intended to permit participants to defer up to \$10,000 of annual compensation that would generally not be eligible for contribution to the AmeriGas 401(k) Savings Plan due to Code limitations and nondiscrimination requirements. Participants may direct the investment of deferred amounts into a number of funds. The funds available are the same funds available under the AmeriGas 401(k) Savings Plan, other than the UGI Corporation stock fund. Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following separation from service as defined in the Code.

The 2009 UGI SERP is a nonqualified deferred compensation plan that is intended to provide retirement benefits to executive officers who are not eligible to participate in the UGI Pension Plan, having been hired on or after January 1, 2009. Under the 2009 UGI SERP, the Company credits to each participant's account annually an amount equal to 5 percent of the participant's compensation (salary and annual bonus) up to the Code compensation limit (\$260,000 in plan year 2015) and 10 percent of compensation in excess of such limit. In addition, if any portion of the Company's matching contribution under the Company's 401(k) Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to the participant's account. Benefits vest on the fifth anniversary of a participant's employment commencement date. Participants direct the investment of their account balances among a number of mutual funds, which are generally the same funds available to participants in the Company's 401(k) Savings Plan, other than the UGI Corporation stock fund. Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following separation from service as defined in the Code. Amounts payable under the 2009 UGI SERP may be deferred in accordance with the UGI Corporation 2009 Deferral Plan. See COMPENSATION DISCUSSION AND ANALYSIS UGI Corporation 2009 Deferral Plan, page 38.

***Potential Payments Upon Termination or Change in Control*****Severance Pay Plan for Senior Executive Employees**

*Named Executive Officers Employed by UGI Corporation.* The UGI Corporation Senior Executive Employee Severance Plan (the UGI Severance Plan ) provides for payment to certain senior level employees of UGI, including Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi, in the event their employment is terminated without fault on their part. Benefits are payable to a senior executive covered by the UGI Severance Plan if the senior executive's

employment is involuntarily terminated for any reason other than for just cause or as a result of the senior executive's death or disability. Under the UGI Severance Plan, just cause generally means dismissal of an executive due to (i) misappropriation of funds, (ii) substance abuse or habitual

**Table of Contents**

insobriety that adversely affects the executive's ability to perform his or her job, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties.

Except as provided herein, the UGI Severance Plan provides for cash payments equal to a participant's compensation for a period of time ranging from six months to 18 months, depending on length of service (the Continuation Period). In the case of Mr. Walsh, the Continuation Period is 30 months. In addition, a participant may receive an annual bonus for his or her year of termination, subject to the Committee's discretion and not to exceed the amount of his or her bonus under the Annual Bonus Plan, pro-rated for the number of months served in the fiscal year prior to termination. The levels of severance payments were established by the Committee based on competitive practice and are reviewed by management and the Committee from time to time.

Under the UGI Severance Plan, a participant also receives a payment equal to the cost the participant would have incurred to continue medical and dental coverage under the Company's plans for the Continuation Period (less the amount the participant would be required to contribute for such coverage if the participant were an active employee), provided continued medical and dental coverage would not result in adverse tax consequences to the participant or the Company and is permitted under the applicable medical and dental plans. The maximum period for calculating the payment of such benefits is 18 months (30 months in the case of Mr. Walsh). The UGI Severance Plan also provides for outplacement services for a period of 12 months following a participant's termination of employment and reimbursement for tax preparation services, if eligible, for the final year of employment.

In order to receive benefits under the UGI Severance Plan, a participant is required to execute a release that discharges UGI and its subsidiaries from liability for any claims the senior executive may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with UGI or its subsidiaries. The UGI Severance Plan also requires a senior executive to ratify any existing post-employment activities agreement (which restricts the senior executive from competing with the Company following termination of employment) and to cooperate in attending to matters pending at the time of termination of employment.

*Named Executive Officers Employed by AmeriGas Propane.* The AmeriGas Propane, Inc. Senior Executive Employee Severance Plan (the AmeriGas Severance Plan) provides for payment to certain senior level employees of AmeriGas Propane, including Mr. Sheridan, in the event their employment is terminated without fault on their part. Specified benefits are payable to a senior executive covered by the AmeriGas Severance Plan if the senior executive's employment is involuntarily terminated for any reason other than for just cause or as a result of the senior executive's death or disability. Under the AmeriGas Severance Plan, just cause generally means dismissal of an executive due to (i) misappropriation of funds, (ii) substance abuse or habitual insobriety that adversely affects the executive's ability to perform his job, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties.

Except as provided herein, the AmeriGas Severance Plan provides for cash payments equal to a participant's compensation for a period of time ranging from six months to 18 months, depending on length of service (the AmeriGas Continuation Period). In the case of Mr. Sheridan, the AmeriGas Continuation Period ranges from 12 months to 24 months, depending on length of service. In addition, a participant may receive an annual bonus for his or her year of termination, subject to the Committee's discretion and not to exceed the amount of his or her bonus under the Annual Bonus Plan, pro-rated for the number of months served in the fiscal year prior to termination. The levels of severance payments were established by the Committee based on competitive practice and are reviewed by management and the Committee from time to time.

Under the AmeriGas Severance Plan, a participant also receives a payment equal to the cost the participant would have incurred to continue medical and dental coverage under AmeriGas Propane's plans for the AmeriGas Continuation Period (less the amount the participant would be required to contribute for such coverage if the participant were an active employee), provided continued medical and dental coverage would not result in adverse tax consequences to the participant or AmeriGas Propane and is permitted under the

## **Table of Contents**

applicable medical and dental plans. The AmeriGas Severance Plan also provides for outplacement services for a period of 12 months following a participant's termination of employment, and reimbursement for tax preparation services, if eligible, for the final year of employment.

In order to receive benefits under the AmeriGas Severance Plan, a participant is required to execute a release that discharges AmeriGas Propane and its affiliates from liability for any claims the senior executive may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with AmeriGas Propane or its affiliates. Each senior executive is also required to ratify any existing post-employment activities agreement (which restricts the senior executive from competing with AmeriGas Propane and its affiliates following termination of employment) and to cooperate in attending to matters pending at the time of termination of employment.

### ***Change in Control Arrangements***

*Named Executive Officers Employed by UGI Corporation.* Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi each have an agreement with the Company that provides benefits in the event of a change in control. Messrs. Walsh's and Hall's agreements have a term of one year with automatic one-year extensions each year, unless in each case, prior to a change in control, the Company terminates such agreement with required advance notice. Each of Mr. Oliver's and Ms. Gaudiosi's agreement has a term of three years with automatic one-year extensions each year, unless, prior to a change in control, the Company terminates such agreement with required advance notice. In the absence of a change in control or termination by the Company, each agreement will terminate when, for any reason, the executive terminates his or her employment with the Company. A change in control is generally deemed to occur in the following instances:

Any person (other than certain persons or entities affiliated with the Company), together with all affiliates and associates of such person, acquires securities representing 20 percent or more of either (i) the then outstanding shares of common stock, or (ii) the combined voting power of the Company's then outstanding voting securities;

Individuals who at the beginning of any 24-month period constitute the Board of Directors (the Incumbent Board), and any new Director whose election by the Board of Directors, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the Incumbent Board, cease for any reason to constitute a majority;

The Company is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another corporation in a transaction in which former shareholders of the Company do not own more than 50 percent of the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation; or

The Company is liquidated or dissolved.

The Company will provide each of Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi with cash benefits if we terminate his or her employment without cause or if he or she terminates employment for good reason at any time within two years following a change in control of the Company. Cause generally includes (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross



negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company. Good reason generally includes a material diminution in authority, duties, responsibilities or base compensation; a material breach by the Company of the terms of the agreement; and substantial relocation requirements. If the events trigger a payment following a change in control, the benefits payable to each of Messrs. Walsh, Oliver, Hall and Ms. Gaudiosi will be as specified under his or her change in control agreement unless payments under the UGI Severance Plan described above would be greater, in which case benefits would be provided under the UGI Severance Plan.

Benefits under this arrangement would be equal to three times the executive officer's base salary and annual bonus. Each executive would also receive the cash equivalent of his or her target bonus, prorated for the

**Table of Contents**

number of months served in the fiscal year. In addition, Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi are each entitled to receive a payment equal to the cost he or she would incur if he or she enrolled in the Company's medical and dental plans for three years (less the amount he or she would be required to contribute for such coverage if he or she were an active employee). Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi would also have benefits under the Company's Supplemental Executive Retirement Plan and Mr. Oliver and Ms. Gaudiosi would also have benefits under the Company's 2009 UGI SERP, calculated as if each of them had continued in employment for three years. In addition, outstanding performance units, stock units and dividend equivalents will be paid in cash based on the fair market value of the Company's common stock in an amount equal to the greater of (i) the target award, and (ii) the award amount that would have been paid if the performance unit measurement period ended on the date of the change in control, as determined by the Compensation and Management Development Committee. For treatment of stock options, see the Grants of Plan-Based Awards Table.

The benefits for Messrs. Walsh and Hall are subject to a conditional gross-up for excise and related taxes in the event they would constitute excess parachute payments, as defined in Section 280G of the Code. The Company will provide the tax gross-up if the aggregate parachute value of benefits is greater than 110 percent of the maximum amount that may be paid under Section 280G of the Code without imposition of an excise tax. If the parachute value does not exceed the 110 percent threshold, the benefits for each of Messrs. Walsh and Hall will be reduced to the extent necessary to avoid imposition of the excise tax on excess parachute payments. The Company discontinued the use of a tax gross-up in July of 2010 for executives who enter into change in control agreements subsequent thereto. As a result, Mr. Oliver's and Ms. Gaudiosi's benefits are not subject to a conditional gross-up for excise and related taxes in the event they would constitute excess parachute payments, as defined in Section 280G of the Code.

In order to receive benefits under his or her change in control agreement, each of Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi is required to execute a release that discharges the Company and its subsidiaries from liability for any claims he or she may have against any of them, other than claims for amounts or benefits due under any plan, program or contract provided by or entered into with the Company or its subsidiaries.

*Named Executive Officers Employed by AmeriGas Propane, Inc.* Mr. Sheridan has an agreement with AmeriGas Propane that provides benefits in the event of a change in control. His agreement has a term of one year and is automatically extended for one-year terms each year unless, prior to a change in control, AmeriGas Propane terminates his agreement with required advance notice. In the absence of a change in control or termination by AmeriGas Propane, his agreement will terminate when, for any reason, he terminates his employment with AmeriGas Propane. A change in control is generally deemed to occur in the following instances:

Any person (other than certain persons or entities affiliated with the Company), together with all affiliates and associates of such person, acquires securities representing 20 percent or more of either (i) the then outstanding shares of common stock, or (ii) the combined voting power of the Company's then outstanding voting securities;

Individuals who at the beginning of any 24-month period constitute the Company's Board of Directors (the Incumbent Board), and any new Director whose election by the Board of Directors, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the Incumbent Board, cease for any reason to constitute a majority;

The Company is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another corporation in a transaction in which former shareholders of the Company do not own more than 50 percent of the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation;

AmeriGas Propane, AmeriGas Partners or AmeriGas Propane, L.P. is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another entity in a transaction with respect to which all of the individuals and entities who were owners of AmeriGas Propane's voting securities or the

**Table of Contents**

outstanding units of the Partnership immediately prior to such transaction do not, following such transaction, own more than 50 percent of the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation, or if the resulting entity is a partnership, the former unitholders do not own more than 50 percent of the outstanding common units in substantially the same proportion as their ownership immediately prior to the transaction;

The Company, AmeriGas Propane, AmeriGas Partners or AmeriGas Propane, L.P. (the Operating Partnership ) is liquidated or dissolved;

The Company fails to own more than 50 percent of the general partnership interests of AmeriGas Partners or the Operating Partnership;

The Company fails to own more than 50 percent of the outstanding shares of common stock of AmeriGas Propane; or

AmeriGas Propane is removed as the General Partner of AmeriGas Partners or the Operating Partnership. AmeriGas Propane will provide Mr. Sheridan with cash benefits if there is a termination of his employment without cause or if he terminates employment for good reason at any time within two years following a change in control. Cause generally includes (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of AmeriGas Propane. Good reason generally includes a material diminution in authority, duties, responsibilities or base compensation; a material breach by AmeriGas Propane of the terms of the agreement; and substantial relocation requirements. If the events trigger a payment following a change in control, the benefits payable to Mr. Sheridan will be as specified under his change in control agreement unless payments under the AmeriGas Severance Plan described above would be greater, in which case benefits would be provided under the AmeriGas Severance Plan.

Benefits under this arrangement would be equal to three times Mr. Sheridan's base salary and annual bonus. Mr. Sheridan would also receive the cash equivalent of his target bonus, prorated for the number of months served in the fiscal year. In addition, he is entitled to receive a payment equal to the cost he would incur if he enrolled in AmeriGas Propane's medical and dental plans for three years (less the amount he would be required to contribute for such coverage if he were an active employee). Mr. Sheridan would also receive his benefits under the AmeriGas SERP calculated as if he had continued in employment for three years. In addition, outstanding performance units and distribution equivalents will be paid in cash based on the fair market value of AmeriGas Partners common units in an amount equal to the greater of (i) the target award, and (ii) the award amount that would have been paid if the measurement period ended on the date of the change in control, as determined by the AmeriGas Propane Compensation/Pension Committee. For treatment of stock options, see the Grants of Plan-Based Awards Table.

AmeriGas Propane discontinued the use of a tax gross-up in November of 2010 and, as a result, Mr. Sheridan's benefits are not subject to a conditional gross-up for excise and related taxes in the event they would constitute excess parachute payments, as defined in Section 280G of the Code.

In order to receive benefits under his change in control agreement, Mr. Sheridan is required to execute a release that discharges AmeriGas Propane and its affiliates from liability for any claims he may have against any of them, other

than claims for amounts or benefits due under any plan, program or contract provided by or entered into with AmeriGas Propane or its affiliates.

**Potential Payments Upon Termination or Change in Control**

The amounts shown in the table below are merely estimates of the incremental amounts that would be paid out to the named executive officers if their termination had occurred on the last day of Fiscal 2015. The actual amounts to be paid out can only be determined at the time of such named executive officer s

**Table of Contents**

termination of employment. The amounts set forth in the table below do not include compensation to which each named executive officer would be entitled without regard to his termination of employment, including (i) base salary and short-term incentives that have been earned but not yet paid, and (ii) amounts that have been earned, but not yet paid, under the terms of the plans reflected in the Pension Benefits Table and the Nonqualified Deferred Compensation Table. There are no incremental payments in the event of voluntary resignation, termination for cause, disability or upon retirement.

**Potential Payments Upon Termination or Change in Control Table Fiscal 2015  
Equity**

Name & Triggering Event	Pay\$(1)(2)	Awards	Nonqualified	Welfare &	Total(\$)
		with	Retirement	Other	
	Severance	Accelerated	Benefits(4)	Benefits(5)	
	Vesting(3)	Retirement	Benefits(4)	Benefits(5)	Total(\$)
<b>J. L. Walsh</b>					
Death	0	7,396,315	4,476,809	0	11,873,124
Involuntary Termination Without Cause	6,171,061	0	5,229,917	59,047	11,460,025
Termination Following Change in Control	8,637,824	12,946,588	9,558,799	10,844,402	41,987,613
<b>K. R. Oliver</b>					
Death	0	2,678,815	0	0	2,678,815
Involuntary Termination Without Cause	995,583	0	0	37,016	1,032,599
Termination Following Change in Control	3,495,948	4,573,852	269,858	79,969	8,419,627
<b>J. E. Sheridan</b>					
Death	0	2,229,388	0	0	2,229,388
Involuntary Termination Without Cause	1,815,381	0	0	69,587	1,884,968
Termination Following Change in Control	3,267,524	4,271,016	244,841	95,291	7,878,672
<b>M. M. Gaudiosi</b>					
Death	0	1,612,203	0	0	1,612,203
Involuntary Termination Without Cause	757,580	0	0	26,439	784,019
Termination Following Change in Control	2,538,054	2,800,644	191,535	29,341	5,559,574
<b>B. C. Hall</b>					
Death	0	1,083,155	2,480,037	0	3,563,192
Involuntary Termination Without Cause	1,173,666	0	2,917,690	50,263	4,141,619
Termination Following Change in Control	2,112,598	1,810,893	3,585,567	54,525	7,563,583

- (1) Amounts shown under *Severance Pay* in the case of involuntary termination without cause are calculated under the terms of the UGI Severance Plan for Messrs. Walsh, Oliver and Hall and Ms. Gaudiosi and the AmeriGas Severance Plan for Mr. Sheridan. We assumed that 100 percent of the target annual bonus was paid.
- (2) Amounts shown under *Severance Pay* in the case of termination following a change in control are calculated under the officer's change in control agreement.
- (3) In calculating the amounts shown under *Equity Awards with Accelerated Vesting* we assumed (i) the continuation of the Company's dividend (and AmeriGas Partners' distribution, as applicable) at the rate in effect on September 30, 2015; and (ii) performance at the greater of actual through September 30, 2015 and at target levels with respect to performance units.
- (4) Amounts shown under *Nonqualified Retirement Benefits* are in addition to amounts shown in the Pension Benefits Table Fiscal 2015 and the Nonqualified Deferred Compensation Table Fiscal 2015.
- (5) Amounts shown under *Welfare and Other Benefits* include estimated payments for (i) medical and dental insurance premiums, (ii) outplacement services, (iii) tax preparation services, and (iv) an estimated Code Section 280G tax gross-up payment of \$10,789,877 for Mr. Walsh in the event of a change in control.

***Market Price of Shares***

The closing price of our Stock, as reported on the New York Stock Exchange Composite Tape on November 12, 2015, was \$34.06.

**SECURITIES OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS**

The following table shows the number of shares beneficially owned by each Director, by each of the executive officers named in the Summary Compensation Table, and by all Directors and executive officers as a group. The table shows their beneficial ownership as of October 1, 2015.

**Table of Contents**

Each person named in the table beneficially owns approximately 1 percent or less of the outstanding common stock. Directors and executive officers as a group own approximately 3 percent of the outstanding common stock. For purposes of reporting total beneficial ownership, shares that may be acquired within 60 days of October 1, 2015 through UGI Corporation stock option exercises are included.

**Beneficial Ownership of Directors, Nominees and Named Executive Officers**

<b>Name</b>	<b>Number of Shares of UGI Common Stock<sup>(1)</sup></b>	<b>Number of UGI Stock Units<sup>(2)</sup></b>	<b>Exercisable Options For UGI Common Stock</b>
M. Shawn Bort	6,525	29,860	87,750
Monica M. Gaudiosi	29,292	0	150,000
Richard W. Gochnauer	0	20,879	62,250
Lon R. Greenberg	541,019 <sup>(3)</sup>	0	1,200,000
Bradley C. Hall	106,868 <sup>(4)</sup>	0	185,000
Frank S. Hermance	150,000 <sup>(5)</sup>	18,680	55,875
Ernest E. Jones	11,566	65,959	113,250
Kirk R. Oliver	26,265 <sup>(6)</sup>	0	141,875
Anne Pol	5,141	125,691	106,500
Marvin O. Schlanger	52,836 <sup>(7)</sup>	106,159	113,250
Jerry E. Sheridan	1,994 <sup>(8)</sup>	0	0
James B. Stallings, Jr.	0	0	0
Roger B. Vincent	22,516 <sup>(9)</sup>	44,353	75,000
John L. Walsh	342,017 <sup>(10)</sup>	0	1,002,500
Directors and executive officers as a group (16 persons)	1,355,561	411,581	3,543,250

(1) Sole voting and investment power unless otherwise specified.

(2) The 2004 Plan and the 2013 Plan each provides that stock units will be converted to shares and paid out to Directors upon their retirement or termination of service.

(3) Includes 301,948 shares held jointly with Mr. Greenberg's spouse and 113,465 shares in a charitable trust for which Mr. Greenberg and his spouse are co-trustees.

(4) 5,250 of these shares are held by a family partnership, of which Mr. Hall's spouse is a 25% beneficial owner, and Mr. Hall holds 20,241 of these shares in his 401(k) Savings Plan.

(5) Mr. Hermance holds these shares jointly with his spouse.

(6) Includes 3,255 shares held jointly with Mr. Oliver's spouse and 498 shares in his 401(k) Savings Plan.

(7) Includes 3,000 shares held by Mr. Schlanger's spouse. Mr. Schlanger disclaims beneficial ownership of the shares owned by his spouse.

(8) Mr. Sheridan holds these shares in his 401(k) Savings Plan.

(9) Includes 15,000 shares in a family trust for which Mr. Vincent's spouse is a trustee. Mr. Vincent disclaims beneficial ownership of the shares held in the family trust.

(10) Mr. Walsh's shares are held jointly with his spouse.

**Section 16(a) Beneficial Ownership Reporting Compliance**



Section 16(a) of the Exchange Act requires our Directors, certain officers and 10 percent beneficial owners to report their ownership of shares and changes in such ownership to the SEC. Based on our records, we believe that, during Fiscal 2015, all of such reporting persons complied with all Section 16(a) reporting requirements applicable to them.

- 57 -

**Table of Contents****SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table shows information regarding each person known by the Company to be the beneficial owner of more than five percent of the Company's common stock. The ownership information below is based on information reported on a Form 13F as filed with the SEC in November 2015 for the quarter ended September 30, 2015.

**Securities Ownership of Certain Beneficial Owners**

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of	Percent of Class <sup>(1)</sup>
		Beneficial Ownership	
Common Stock	Wellington Management Group, LLP  c/o Wellington Management Company LLP  280 Congress Street  Boston, MA 02210	16,613,797 <sup>(2)</sup>	9.64%
Common Stock	The Vanguard Group, Inc.  P.O. Box 2600  Valley Forge, PA 19482	14,699,027 <sup>(3)</sup>	8.53%
Common Stock	State Street Corporation  One Lincoln Street  Boston, MA 02111	9,133,305 <sup>(4)</sup>	5.30%

(1) Based on 172,388,503 shares of common stock issued and outstanding at September 30, 2015.

(2) The reporting person, and certain related entities, have shared voting power with respect to 11,813,111 shares and shared investment power with respect to 16,613,797 shares.

(3) The reporting person, and certain related entities, have shared voting power with respect to 8,800 shares, sole voting power with respect to 128,688 shares, shared investment power with respect to 123,138 shares, and sole investment power with respect to 14,575,889 shares.

(4) The reporting person, and certain related entities, have shared investment power with respect to 9,133,305 shares.

**ITEM 2 ADVISORY VOTING UGI CORPORATION'S EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Exchange Act, the Company is providing shareholders with the opportunity to cast an advisory, non-binding vote to approve the compensation of our named executive officers. The compensation of our named executive officers is disclosed under the headings "Compensation Discussion and Analysis" and "Compensation of Executive Officers" beginning on pages 20 and 41, respectively, of this Proxy Statement. At the 2015 Annual Meeting, over 96% of our shareholders voted to approve the compensation of our named executive officers.

We believe that the interests of our named executive officers and our shareholders are closely aligned. As described in the Compensation Discussion and Analysis, the compensation program for our named executive officers is designed to provide a competitive level of total compensation, to motivate and encourage our executive officers to contribute to the Company's success and to effectively link our executives' compensation to our financial performance and sustainable growth in shareholder value. The Compensation Discussion and Analysis also describes in detail the components of our executive compensation program and the process by which, and the reasons why, the independent members of our Board of Directors and our Compensation and Management Development Committee make executive compensation decisions.

In making executive compensation decisions, our Compensation and Management Development Committee seeks to implement and maintain sound compensation and corporate governance practices, which include the following:

Our Compensation and Management Development Committee is composed entirely of directors who are independent, as defined in the corporate governance listing standards of the New York Stock Exchange.

**Table of Contents**

Our Compensation and Management Development Committee utilizes the services of Pay Governance LLC, an independent outside compensation consultant.

The Company allocates a substantial portion of compensation to performance-based compensation. In Fiscal 2015, 81% of the principal compensation components, in the case of Mr. Walsh, and 64% to 76% of the principal compensation components, in the case of all other named executive officers, were variable and tied to financial performance or TSR.

The Company awards a substantial portion of compensation in the form of long-term awards, namely, stock options and performance units, so that executive officers' interests are aligned with shareholders' interests and long-term Company performance.

Annual bonus opportunities for the named executive officers are based on key financial metrics. Similarly, long-term incentives are based on UGI Corporation common stock values and relative stock price performance (or, in the case of Mr. Sheridan, performance relative to AmeriGas Partners common units and other key strategic goals).

We require termination of employment for payment under our change in control agreements (referred to as a "double trigger"). We have not entered into change in control agreements providing for tax gross-up payments under Section 280G of the Internal Revenue Code since 2010. See COMPENSATION OF EXECUTIVE OFFICERS Potential Payments Upon Termination or Change in Control, beginning on page 51.

We have meaningful stock ownership guidelines. See COMPENSATION OF EXECUTIVE OFFICERS Stock Ownership Guidelines, beginning on page 39.

We have a recoupment policy for incentive-based compensation paid or awarded to current and former executive officers in the event of a restatement due to material non-compliance with financial reporting requirements.

We have a policy prohibiting the Company's Directors and executive officers from (i) hedging the securities of UGI Corporation and AmeriGas Partners, (ii) holding UGI Corporation and AmeriGas Partners securities in margin accounts as collateral for a margin loan, and (iii) pledging the securities of UGI Corporation and AmeriGas Partners.

This vote is advisory, which means that the vote on executive compensation is not binding on the Company, our Board of Directors or the Compensation and Management Development Committee. The vote on this resolution is not intended to address any specific element of compensation, but rather relates to the overall compensation of our named executive officers. The Board of Directors and the Compensation and Management Development Committee expect to take into account the outcome of this vote when considering future executive compensation decisions and will evaluate whether any actions are necessary to address shareholders' concerns, to the extent a significant number of our shareholders vote against our compensation program.

Accordingly, we ask our shareholders to vote on the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including our Compensation Discussion and Analysis, compensation tables, and the related narrative discussion, is hereby APPROVED.

**The Board of Directors of UGI Corporation unanimously recommends a vote FOR the approval of the compensation paid to our named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative discussion in this Proxy Statement.**

**Table of Contents**

**ITEM 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors appointed Ernst & Young LLP as our independent registered public accounting firm to examine and report on the consolidated financial statements of the Company for Fiscal 2016 and recommends that shareholders ratify the appointment. Ernst & Young was first engaged as our independent registered public accounting firm for Fiscal 2015 and, prior to such time, PricewaterhouseCoopers LLP served as our independent registered public accounting firm. If shareholders do not ratify the appointment of Ernst & Young LLP, the Audit Committee will consider the appointment of another independent registered public accounting firm. One or more representatives of Ernst & Young LLP will be present at the Annual Meeting. They will have the opportunity to respond to appropriate questions and to make a statement if they wish to do so. The Company does not expect that a representative of PricewaterhouseCoopers LLP will be present at the Annual meeting.

**The Board of Directors of UGI Corporation unanimously recommends a vote FOR this proposal.**

**ITEM 4 OTHER MATTERS**

The Board of Directors is not aware of any other matter to be presented for action at the meeting. If any other matter requiring a vote of shareholders should arise, the Proxies (or their substitutes) will vote in accordance with their best judgment.

**Table of Contents**

**DIRECTIONS TO THE DESMOND HOTEL AND CONFERENCE**

**CENTER** \_\_\_\_\_

***Directions from Philadelphia.*** Take the Schuylkill Expressway (I-76) West. Follow I-76 West to Route 202 South. Take Route 202 South to the Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Boulevard. The Desmond will be on the right.

***Directions from South Jersey.*** Take I-95 South to Route 322 West. Take 322 West to Route 1 South to Route 202 North. Take Route 202 North to Great Valley/Route 29 North Exit. At the end of the ramp, turn right onto Matthews Road. Turn right at the next light onto Morehall Road (Route 29 North). Turn right at second light onto Liberty Boulevard. The Desmond will be on the left.

***Directions from Philadelphia Airport.*** Take I-95 South to 476 North. Follow 476 North to the Schuylkill Expressway (I-76) West to Route 202 South. Take Route 202 South to the Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Boulevard. The Desmond will be on the right.

***Directions from Wilmington and Points South (Delaware and Maryland).*** Take I-95 North to Route 202 North to the Great Valley/Route 29 North Exit. At the end of the ramp, turn right onto Matthews Road. Turn right at the next light onto Morehall Road (Route 29 North). Turn right at the second light onto Liberty Boulevard. The Desmond will be on the left.

***Directions from New York and Points North.*** Take the New Jersey Turnpike South to Exit 6, I-276, Pennsylvania Turnpike connector. Follow the Turnpike I-276 West to Exit 326, Valley Forge. Take the first exit, Route 202 South to the Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Boulevard. The Desmond will be on the right.

***Directions from Harrisburg and Points West.*** Take the Pennsylvania Turnpike, I-76, East to Exit 326, Valley Forge. Take Route 202 South to Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Boulevard. The Desmond will be on the right.

***E-Z Pass Holders:*** Take the Pennsylvania Turnpike, I-76 to Exit 320, Malvern (Exit 320 is an electronic interchange for E-Z pass holders only). At the end of the ramp, turn left at the traffic light onto Morehall Road (Route 29 South) toward Malvern. Proceed on Morehall Road (Route 29 South) to the third traffic light at Liberty Boulevard. Turn left onto Liberty Boulevard and The Desmond will be on your left.

**Table of Contents**



**Table of Contents**

**Table of Contents**

**Table of Contents**