

# UGI CORPORATION

## CHARTER of the COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE of the BOARD OF DIRECTORS

The Board of Directors of UGI Corporation (the "Company") has determined that the Compensation and Management Development Committee of the Board shall assist the Board in fulfilling certain of the Board's oversight responsibilities. The Board hereby adopts this charter to establish the governing principles of the Compensation and Management Development Committee.

### *Membership of the Compensation and Management Development Committee*

A. The Board shall appoint the members of the Compensation and Management Development Committee at the Board's annual organizational meeting and the members shall serve until the next such meeting or until their successors are appointed by the Board. The Board may also fill interim vacancies and remove and replace any member of the Committee at any time. The Board shall designate one member to serve as Chair of the Committee.

B. The Compensation and Management Development Committee shall be composed of not less than three members who are neither officers nor employees of the Company or any of its affiliates. The members will be Directors who are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as Committee members. Members of the Compensation and Management Development Committee shall also meet any additional requirements of applicable law and of the principal market or transaction reporting system on which the Company's securities are traded or quoted (i.e. New York Stock Exchange).

### *Meetings of the Compensation and Management Development Committee*

The Compensation and Management Development Committee shall hold at least two regular meetings annually. In addition, the Committee shall hold other meetings at such times and places as the Chair and the members of the Committee may deem appropriate. The Committee shall report periodically, but no less than once annually, to the Board concerning the deliberations at its meetings.

### *Responsibilities of the Compensation and Management Development Committee*

Compensation:

- Review and approve corporate goals and objectives relevant to compensation of the Chief Executive Officer;
- Review and evaluate, at least annually, the performance of the Chief Executive Officer in pursuing the goals and objectives approved by the Committee, as well as those goals and

objectives set forth in the Company's Budget and Three Year Plan for the year then ended, and provide the Board with its analysis and recommendation regarding the annual compensation of the Chief Executive Officer. Based on this evaluation, the annual compensation of the Chief Executive Officer shall be determined and approved by the Committee, acting either as a committee or together with the other independent directors.

- Review with the Chief Executive Officer the evaluation of the performance of senior management, comprising those employees of the Company designated by the Board pursuant to Rule 16a-1 of the rules promulgated pursuant to the Securities Exchange Act of 1934.
- Review and approve general compensation guidelines for senior management, including proposed salary ranges and merit increase guidelines.
- Oversee the Company's annual bonus plan for senior management and approve targets for payments under the annual bonus plan.
- Approve actual salaries and bonus payments for members of senior management and approve any changes in the salary grades and bonus levels for senior management.
- Oversee the Company's long-term incentive plans, approve target awards and performance goals for performance-based awards, and certify payment of performance-based awards.
- Periodically review compensation plans and arrangements for senior management, including salaries, annual and long-term incentive plans, severance plans, supplemental retirement plans, change in control agreements and perquisites, comparing such plans and arrangements to those of the Company's peer groups, ensuring appropriate levels of incentive to management and aligning management's objectives with the interests of stakeholders.
- Review annually management's summary report on:
  - salaries, bonus levels and bonus payments for executives and managers other than senior management;
  - changes to exempt and non-exempt personnel salary structures.
- Select and oversee the performance of outside consultants retained to review the Company's executive compensation program, recommend to the Board approval or modification of the recommendations of such consultants, and enter into retention agreements with any such consultants establishing their fees and any other retention terms. The Committee shall have sole authority to retain and terminate consultants requested to assist in the evaluation of executive compensation and to review and approve such consultants' fees and other retention terms.

#### Management Development:

- Review the succession plan for each member of senior management as proposed each year by the Chief Executive Officer. To assist the Compensation and Management Development Committee with this task, the Chief Executive Officer provides the Committee with her/his evaluation of each of her/his senior management direct reports, and each member of that group meets with the Committee to review the succession plan for her/his immediate subordinates. The Chair of the Compensation and Management Development Committee then leads a discussion by the Board of the succession plan for senior management.
- Assist the Board with establishing the succession plan for the position of Chair of the Board and Chief Executive Officer.

#### Other Matters:

- Review annually the Company's affirmative action plan and its attainment of the goals set forth in that plan and generally assess the diversity of the Company's workforce.
- Issue to the Board and publish in the Company's annual proxy statement the report required by the rules of the Securities and Exchange Commission.
- Review and reassess the adequacy of this charter on an annual basis and recommend changes to the Board as needed.
- Conduct an annual performance self-evaluation and report to the Board the results of that self-evaluation.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

Approved by the Board of Directors on February 24, 2004.

Amended by the Board of Directors on December 7, 2004.

Amended by the Board of Directors on December 6, 2005.