



A Code of Business Conduct and Ethics

**For Directors, Officers and Employees of
UGI Corporation, its Subsidiaries and Affiliates**

INTRODUCTORY LETTER FROM UGI'S CHAIRMAN

You and I are fortunate to work for a company whose record of solid performance is matched by its excellent reputation for integrity in all of the communities it serves. We have achieved these results through the hard work and high ethical standards of the employees, officers and directors (collectively, "Company Personnel") who make up our Company. It is the responsibility of each of us to continue to establish and maintain our reputation every day by conducting our worldwide operations with honesty, integrity, accountability and respect. This Code of Business Conduct and Ethics is designed to assist each of us in that effort.

The Code applies to all employees, officers and directors of UGI, its subsidiaries and affiliates (collectively referred to as the "Company"). In other words, the Code applies to all of us who represent the Company to our customers, vendors, investors and the public. It contains many clear-cut rules, such as our insistence on complying with all laws, rules and regulations relating to our businesses. It also provides guidance and examples when, although our policies are clear, there are circumstances which create difficult decisions. Because the Code cannot address every situation and our business environment continues to evolve, we have also provided ways for you to seek advice and guidance through an appropriate officer, Company lawyers or the Company's Compliance Officer. The Compliance Officer is the Vice President and General Counsel of UGI.

At the heart of our Code is the belief that each of us bears personal responsibility for honest and ethical conduct in the performance of our duties. Most day-to-day ethical questions can probably be resolved by asking ourselves this question, "Would I be comfortable if all the facts about what I intend to do became known to my family, my friends, the people I work with and the public?" If the answer is "Yes", we are probably doing the right thing.

Personal responsibility includes internal disclosure of violations or suspected violations of this Code so that the Company can take appropriate action. Violations must be reported to the Compliance Officer in writing. These reports will be kept confidential, except to the extent information is used to confirm and, if necessary, take action with respect to the issue you have raised. Reports may be anonymous if you so choose. You will not be subjected to retaliation of any kind for making these reports.

Please read this Code carefully and keep it handy for reference if the need arises. If you have any questions regarding its intent or applicability, please talk to an appropriate officer. All of us will be required to acknowledge that we have received, read and understand this Code.

We hold the good name and reputation of the Company in our hands. I know I can count on each of you to safeguard and sustain these valuable assets. Thank you for joining with me in that effort.

Sincerely,

Lon R. Greenberg

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Compliance with Law and Relations with Government

Compliance with Law

A variety of laws, rules and regulations apply to the Company and its operations. Company Personnel are expected to comply with all these laws, as well as the rules and regulations adopted under them. The failure to comply with some laws may result in criminal violations and the imposition of criminal sanctions for the Company and/or the individuals involved. Examples of criminal violations under these laws include:

- Stealing, embezzling or misapplying corporate funds;
- Using threats, physical force or unauthorized means to collect money;
- Making false entries in the books and records of the Company or engaging in any conduct that results in the making of such false entries; and
- Making a payment for an expressed purpose on the Company's behalf to an individual who you know intends to use it for a different purpose.

We will thoroughly investigate, address, report and, where appropriate, prosecute violations of the law.

Company Personnel are also encouraged to review the sections of the Employee Handbook dealing with antitrust compliance and Equal Employment Opportunity.

Government Regulation of Our Business

Many parts of the Company's operations are regulated by various agencies of federal, state and local governments. Examples are the regulation of rates and services of our public utility operations, the monitoring of business activities by environmental agencies and reporting to the agencies regulating securities. There are many more.

The important thing to understand is that responsible regulation is an integral part of the governmental process that has been chosen by our representatives in the various legislatures as a means to safeguard against abuses and financial or physical harm to people by those who would cut corners to get results regardless of the consequences. If the process is greeted with contempt, the reaction we should expect is

distrust, internal strife and possible hostility. We think that result is in no one's best interest. The fact is that all businesses have a long-term relationship with regulatory agencies. The most productive approach is to work with government in finding ways to meet our business objectives by means well within the boundaries of the law. The efforts of responsible governmental agencies are worthy and the process of regulation should be conducted in a respectful and cooperative manner. Where we disagree with an action of a governmental official or with a law or regulation, the answer is not to ignore it or refuse to comply. The answer is that we will work within the system that we believe in, either in presenting our views at a hearing before an independent judge or in contacting our legislative representatives to explain why a change in the law should be considered.

Throughout this area, the issue is whether we have complied with often highly technical or complicated laws or regulations. When an inspection takes place, when the government makes an inquiry or when these issues arise in any other way, questions about our compliance raise serious legal issues. Responding to government inquiries is not your job. You are not expected to act on your own; in fact, it is our policy that such responses are made through the Law Department. If you are contacted by a government agency or official, your duty is to be respectful and polite and, after consultation with your supervisor or an appropriate officer¹, refer the inquiry directly to the Law Department. The role of our legal counsel is to make sure we respond in the proper way and preserve our legal rights.

Political Activities

There are federal and state laws that put limits on the Company's involvement in election politics and, when you are acting for the Company, those limits apply to you.

As a general rule, the Company cannot contribute or loan money, services, supplies, facilities or equipment directly or indirectly to any candidate, political party or committee, organization or any other person in connection with a federal, state or local election. The purpose of the law is to guard against possible undue influence by the use of corporate money or power. Our position is that it is against Company policy and contrary to law for employees to engage in partisan political activity

¹ The term "appropriate officer" is used throughout this Code. It is best defined by example. If you are working in a department that performs accounting or finance functions, the "appropriate officer" would be the Controller or Chief Financial Officer. For employees working in Operations, the "appropriate officer" would be the Area Vice President in the Area in which the employee works, and so forth.

during the hours of his or her employment, or to utilize any Company resources in the course of such activity. If Company resources are inadvertently used, the cost must be immediately reimbursed by the Company.

While the Company is forbidden by law to engage in electoral politics, the Company is free to exercise its free speech rights, including communicating its views on any subject to the legislature, its security holders and executive or administrative personnel and will do so from time to time. Also, none of the prohibitions extends to persons who act as legislative representatives of the Company or to personal activities of employees. All Company Personnel, regardless of their position in the Company, are free to exercise their own rights and obligations as citizens to express personal views on matters of public policy through political or nonpolitical channels, to support candidates of their own choice, to engage in partisan political activities, seek public office and enlist the support of others in political activities. These are considered personal and private activities and no other employee, officer or director of the Company is authorized to influence you to support any party or take any political view.

When engaging in personal political activities, Company Personnel must be mindful of the restrictions imposed by law on Company participation in politics and must not create the impression that the Company is involved in any way. Special care must be taken not to use or associate the Company name in any activity, including correspondence. Conduct in those activities and contacts with others should be done in a way that makes clear that the views expressed are your own and not those of the Company.

Encouraging Participation in Political Activities

The Company recognizes that you may wish to support the political party of your choice through voluntary financial contributions and by voting for party candidates. You may also wish to influence the selection and election of candidates to positions capable of influencing the social, political and economic environment in which the Company operates. In an effort to enable Company Personnel to participate in those processes by encouraging the campaigns of candidates whose views tend to foster a healthy environment for the Company, UGI has formed a political action committee called *The UGI Political Action Committee* (UGI/PAC) in accordance with state and federal election laws. The decision of Company Personnel about whether or not to participate is entirely personal and voluntary. The opportunity is merely offered.

In other ways, you may wish to take a greater part in political affairs by actively supporting a party candidate, by accepting an appointment to a position within a political party's organization or by seeking election or accepting an appointment to public office. Under any of these circumstances, the Company will encourage your participation and help you to make arrangements that do not involve a conflict with the Company's obligations to avoid involvement and minimize interference with your duties and responsibilities to the Company.

Holding Public Office

Company Personnel are permitted to hold an appointed or elected public or political office, providing the dual time commitments will not interfere with Company job performance. To monitor any potential problems and to develop guidelines or time requirements, approval from an appropriate officer is required before accepting such a position.

Where public or political service requires you to participate on a part-time basis, the Company will seek to accommodate you by arranging special work and vacation schedules that will permit absence for public or political service without interfering with your duties and responsibilities to the Company.

In the event a special full-time work schedule cannot be arranged to the mutual satisfaction of the employee and the Company, an attempt will be made to work out a mutually satisfactory part-time schedule under which you will be paid only for the hours actually worked. If this cannot be done, you may request a leave of absence.

Under normal circumstances, the Company will, on request, grant a leave of absence and will arrange with you to continue coverage under the Company benefit plans as permitted by law and existing corporate leave of absence policies.

Payments to Public Officials

Throughout industry in general, there have over time been a number of investigations of payoffs, bribes and kickbacks to public officials, which have resulted in criminal prosecutions. The Company's policy strictly prohibits Company Personnel from making payoffs, bribes or giving kickbacks to public officials. Except in the very limited circumstances described in the section relating to "Company Personnel Working Outside the United States," there are no circumstances that will justify making a side payment to a public official to "help get a job done." Furthermore, Company Personnel may not make gifts of more than

nominal value to or provide excessive entertainment to public officials. If you have any questions about what is appropriate, you should consult the Law Department because such payments and entertainment may be illegal or could be viewed as an effort to improperly influence the public official's decision.

Government Investigations and Litigation

It is the Company's policy to cooperate with federal, state and local government investigators. At the same time, the Company is entitled to all the safeguards provided in the law for persons under investigation, including representation by counsel. Accordingly, if a government investigator requests an interview with an employee, officer or director of the Company, seeks information or access to files, or poses written questions, he or she should be told that the Company will cooperate, but that you must first discuss the matter with the Law Department. You should immediately telephone the Law Department, which will then provide advice as to further action. The Law Department must also be consulted before the Company threatens to sue or institutes litigation of any kind and before the Company complains to a government agency about the actions of a competitor. In the event any litigation has begun or has been threatened against the Company, notify the Law Department immediately, even if the action or the threats appear to be insignificant or without merit.

Conflicts of Interest and Other Matters

The Company recognizes that you and all other Company Personnel have many interests apart from your work and obligations to the Company. That is as it should be. We are all refreshed by different and separate activities and we make valuable contributions to the Company from our varying experiences.

We also recognize that diverse activities can overlap and cause people to be torn between interests in both. Such a conflict of interest or divided loyalty is not productive and results in neither interest being adequately served; both are injured. In your work for the Company, you are expected to give your undivided attention and loyalty to your work and make decisions solely on the basis of what is best for the Company.

Directors and Executive Officers must provide information on any actual or potential conflict of interest to the Compliance Officer to the extent that it was not previously reported in their Director and Officers Questionnaires.

Side Business and Investments

It is a violation of Company policy for you to conduct any business in which you have a personal financial interest with Company customers, suppliers, contractors or any person or business closely associated with any of them. In addition, you may not engage in a business in which you have a personal financial interest that competes with the Company for products, services, customers or business opportunities. You also may not make use of corporate equipment, facilities or supplies, or imply (without the approval of an appropriate officer) the Company's sponsorship or support of any outside activity. Under no circumstances are Company Personnel permitted to take for themselves, or for their family members, business opportunities that are discovered or made available by virtue of their positions at the Company. Employees are prohibited from taking part in any outside employment without approval in writing by their supervisor. Moreover, employees may not serve as managers or directors of other business enterprises, which might conflict with their duties to the Company without the approval in writing of an appropriate officer. These rules apply whether or not the activities are carried out on Company time. Executive Officers and Directors must provide biographical information, including all

positions held with other companies on their Director and Officers Questionnaires.

Direct competition with the Company is the clearest case of divided loyalty and it would place you in a very uncomfortable situation where you probably would not be able to act solely in the Company's best interest. Divided loyalty can also arise from less obvious types of involvement in other businesses, such as having a substantial personal or family interest through stock ownership, loans or holding an important position with a competing business or with an organization with which the Company has substantial dealings. Aside from the dangers of divided loyalty, favoritism or problems arising in the event of a dispute or lawsuit, the interlock created by your dual positions or financial interests may violate antitrust laws, corporate laws or other laws and regulations prohibiting or restricting such activities. The consequences could be extremely serious for you and the Company.

Before you or your family make a substantial investment in any company, find out through the Law Department whether a conflict of interest is present. Generally, holding less than 1% of the stock of a company will not be considered a substantial investment that raises serious conflict of interest questions. In certain cases, however, even a small investment in a major competitor, supplier or customer can present a conflict that should be reviewed in advance. If you are in doubt – ask. Likewise, before you take an important position with any firm outside the Company that is a competitor, supplier or customer, you must obtain approval from the Compliance Officer. The reason for this procedure is that, whether or not an actual conflict is present, the fact you will hold such a position may have to be reported to or approved in advance by government agencies. This is a complex area and you should take the time to be careful. If you already have a question about an existing investment or position you hold, you should have any potential conflict cleared by the Compliance Officer.

Favoritism, Gifts and Entertainment

Another type of conflict can arise from personal relationships with Company customers, suppliers, contractors, or others with whom the Company deals. It is easy to mix personal feelings with business dealings, but you must keep in mind that your sole loyalty is to the Company. The opportunity for unwarranted compromise or favoritism (such as giving a friend some advantage even though he or she is not entitled to it) is obvious and it violates the Company policy that your decisions be fair, independent and objective. For this reason, accepting loans or gifts of more than nominal value, or excessive entertainment,

from a business associate with whom the Company deals is forbidden. If offered something of substantial value, you should politely but firmly decline. What does “excessive” or “substantial” mean? It does not mean being taken to an occasional ballgame or dinner now and then. It does mean a favor that is out of the ordinary – when you feel the “push” to cooperate.

Below are some guidelines to help you decide whether a specific gift or form of entertainment is appropriate. When you are in doubt about this, you should consult the Compliance Officer.

- It is never appropriate to accept cash or cash equivalents as a gift or to solicit gifts from the Company's suppliers or business partners.
- Ceremonial gifts and mementos such as T-shirts, mugs and pens are usually appropriate.
- Entertainment in an "adult entertainment" club or other offensive environment is never appropriate.
- Tickets to sporting and cultural events are usually appropriate provided the number, value and frequency of such tickets is not excessive.
- Routine business meals are usually appropriate, but lavish entertainment is not.
- Entertainment that requires air travel or an overnight stay is almost never appropriate and must be approved by your supervisor in advance.

That is not to say that you should not try to develop a friendly and cooperative business relationship with people who do business with the Company. On the contrary, promoting close and cooperative working relationships is an important part of the Company's longstanding reputation and is encouraged. It does mean that you should not cross the “line” and compromise your independence, values and loyalty to the Company. In the long run, the compromise will endanger the respect others have for you and the respect you have for yourself. It will also endanger your job.

The door swings both ways. There will be circumstances where, as a result of your position with the Company, you have the power to bring great pressure on others to compromise their business ethics. The policy of the Company is that we succeed solely on the superiority of our work and the products or services that we provide and not on pushing friendships, using unfair pressure or offering what amounts to bribes for favored treatment. How results are obtained is just as important as the results themselves. Therefore, for the same reasons that you may not

accept things of significant value from those the Company does business with, you may not offer them either, unless they are part of a Company-approved program.

Fair Dealing

Company Personnel should deal fairly and in good faith with other Company Personnel, customers, suppliers, regulators, competitors, business partners and others. Company Personnel may not take advantage of anyone through manipulation, misrepresentation, inappropriate threat, fraud, abuse of confidential information or other unlawful or unethical conduct.

Loans to Company Personnel

The Company will not make loans or extend credit guarantees to or for the personal benefit of directors and officers of the Company except as permitted by law and the listing standards of any exchange or quotation system on which the Company's securities are listed. Loans or guarantees may be extended to employees only with the approval of the Board of Directors or an appropriate officer of the Company.

Exceptions

There may well be instances where the Company can make exceptions to the above prohibitions or restrictions because the proposed activity is legal and proper, and the Company is not injured by it. To obtain an exception, employees and non-executive officers of the Company should prepare a memorandum explaining all the details and send it to the Compliance Officer. The exception will be effective when the Compliance Officer has approved it in writing.

Exceptions sought by executive officers or directors of UGI, in accordance with the New York Stock Exchange listing requirements, may be made only by the Corporate Governance Committee of the Board of Directors of UGI, to the extent not otherwise required to be made by the Audit Committee, and will promptly be disclosed to UGI's shareholders to the extent required by applicable law or listing standards.

Use of Inside Information

Some of the things mentioned in the previous section may be obvious to you. They involve money, side or competing businesses and influence where the conflict of interest is fairly clear. You will probably know where to stop if a situation like that arises. A very difficult topic is the use and misuse of information you obtain as a result of your position with the Company. There are many laws, such as the Securities Exchange Act of 1934, that come into play in this area and you should exercise great care to prevent potential liability for you and the Company and injury to everyone's reputation.

The first thing you should understand is that the Company has investors and lenders who make decisions having great impact on the Company's financial welfare and on their own investments, based on information that is made public. Announcements that are made by the Company are carefully prepared so that all members of the public are given full, equal and fair information at the same time and at the right time.

You are in a special position of trust and you may learn of something significant about the Company that could influence its value in the eyes of investors or lenders. Examples of information you might learn of and must protect is news of a significant acquisition, merger, change in management, a corporate restructuring, stock split, stock dividend, recent financial results or a pending major contract. When that information is given to one person or a few people, they have an unfair advantage and the gain they realize from use of the privileged information is considered a fraud on those who did not have the advantage of it. Your personal use of that information (or use by someone else you "tipped off") in buying or selling Company securities before the information becomes public is equally wrong. Either type of use or disclosure is also illegal and there are substantial penalties for such violations including criminal prosecution. Therefore, it is vitally important that you not share inside information with anyone outside the Company until it has been made public by Company officials responsible for doing so. Even within the Company, significant business news should be shared on a need-to-know basis so that the danger of accidental "leaks" is eliminated.

Directors and officers are encouraged to review the *Duties and Liabilities of Directors and Officers under Federal Securities Law Memorandum* prepared by the Law Department.

Company Property, Records and Inventions

Company Property

Every day at work employees handle Company property. You are responsible for its proper care. You are also responsible for reporting to your supervisor any problems with or damage to Company property. Because accounting records are maintained for most Company property, you should never dispose of Company property without documenting the disposition.

Company Personnel may not use Company property for personal benefit. Sometimes it is hard to draw the line between personal convenience and Company benefits. The call home that you will be late because work duties require it is obviously business-related and proper. The long-distance call to a friend to chat is clearly an abuse of the telephone and a waste of Company time for which you are being paid. In obvious cases, the abuse is as much theft as taking money. In the closer cases, your common sense should lead you to the right decision. If you have a question – ask.

Company Records and Confidential Information

It is sometimes hard to consider Company records and the related information contained in those records as important items of Company property, but they are. The Company is required by law to keep accurate business records. Failure to do so could subject the Company and the individuals involved to criminal prosecution and could have significant tax consequences for the Company.

It is the Company's policy to maintain records that accurately and fairly reflect its business transactions. All payments and transactions must be authorized by management and be accurately and completely recorded on the Company's books and records in accordance with the Company's accounting policies. Company Personnel may not make any false, incomplete or misleading entries. No undisclosed or unrecorded corporate funds ("slush funds") may be established or maintained for any purpose, nor should Company funds be placed in any personal or noncorporate account. The Company's internal audit group is responsible for auditing compliance with this policy. You are to give your

full cooperation to the auditors and provide whatever information they or the independent accountants need to fulfill their duties.

Much of the information in the Company's books and records is highly confidential. The Company puts Company Personnel in a position of trust and confidence by disclosing to them confidential information about its business, customers and financial affairs. The Company expects you to keep such information confidential because the disclosure to people outside the Company could place the Company at a competitive disadvantage. More importantly, it is illegal in most states for employees to divulge to another person or entity confidential information about their employer's business, either while employed by the Company or after leaving the Company. To avoid the inadvertent disclosure of such information, the Company requires that upon leaving, Company Personnel return all reports, manuals, memoranda and other materials containing confidential information to the Company. The return of Company documents or information does not relieve you from your obligation not to disclose confidential information.

The following information is considered by the Company to be confidential; information concerning business and marketing plans and practices; past, present and prospective customer identities, lists, credit information and gas usage patterns; employee lists; pricing policies and practices; financial information, budgets and forecasts except to the extent it has been made public as part of the Company's annual or interim financial reports; acquisition and strategic plans; and operating policies and practices. This list is not intended to be an exhaustive list of confidential information but, hopefully, will provide you with some guidance in this area. If you are not sure whether certain information is confidential, contact the Law Department or an appropriate officer of the Company before divulging it to another.

Inventions

Discoveries, improvements and inventions made or developed by Company Personnel, either alone or jointly with others, during the course of employment or resulting from a task assigned to you by the Company or which may be used in any way in connection with the Company's business are Company property. Company Personnel are required to promptly report to the Company each discovery, improvement or invention and to sign all papers necessary to obtain a patent and to transfer the discovery, improvement or invention to the Company.

Company Personnel Working Outside of the United States

Company Personnel working outside of the United States are expected to comply with this Code and the laws of the country in which they work and reside, as well as the Foreign Corrupt Practices Act.

The Foreign Corrupt Practices Act

Prohibited Transactions

The Foreign Corrupt Practices Act makes it unlawful to offer, promise or pay anything of value to a foreign government official in order to obtain, retain or direct business to achieve an improper advantage. Governmental officials include national, local or municipal officials, as well as a political party or candidate for a government office or officials of international organizations. It also includes officers and employees of government-owned companies. You cannot use a middleman or intermediary to do what you cannot do directly.

Offers or promises of corrupt "bribe-like" payments will be a violation, even if the bribe does not succeed in its purpose. In the event that you know that an action taken is corrupt and you turn a blind eye ("Don't tell me, I don't want to know") or act in conscious disregard of facts that would lead a reasonable business person to conclude that there is a high probability that improper action was occurring, you will be acting in violation of the Foreign Corrupt Practices Act. "Corrupt" means that the person making or authorizing the payment intends to induce the recipient to misuse his or her official position in order to wrongfully influence business dealings.

A company may be found liable for a violation of the Foreign Corrupt Practices Act even though all of the prohibited activities took place outside of the United States. The parent corporation located in the United States may be found liable for the acts of the foreign subsidiary that it controls. The Foreign Corrupt Practices Act also imposes liability under United States law directly on the foreign subsidiary and its officers and directors when the foreign subsidiary (acting through its directors, officers or employees) violates the Foreign Corrupt Practices Act and commits an act in the United States in connection with that violation. This can be something as simple as sending a fax or making a telephone call to the United States in furtherance of the violation. In brief, violations of the foreign bribery laws by foreign subsidiaries and their

employees may also result in their liability under the Foreign Corrupt Practices Act.

The Foreign Corrupt Practices Act also imposes significant internal accounting control and recordkeeping requirements. All Company Personnel must follow the Company's procedures for accurately recording and reporting business transactions. No Company Personnel may create or maintain secret or unrecorded funds or assets for any purpose. You may not make any false, incomplete or misleading entry in any Company accounting records or engage in any transaction that requires or contemplates making false, incomplete or misleading entries. Even permissible payments to government officials must be properly recorded.

Permissible Payments

There are several types of payments that are permissible under the Foreign Corrupt Practices Act. However, you must bear in mind that these payments may be illegal under the law of the country in which they are made. If this is so, you may not make such a payment. When in doubt about whether a particular transaction is proper or legal, you must contact the Law Department.

Facilitating or "Grease" Payments

In certain foreign countries, the law and Company policy allow small payments to low-level government officials for the purpose of expediting or facilitating the performance of "routine government action." For example

- Obtaining permits, licenses or other official documents to qualify a person to do business in a foreign country;
- Processing government papers, such as visas and work orders;
- Providing police protection, mail pick-up and delivery, or scheduling inspections associated with contract performance or inspections related to the transit of goods across country; and
- Providing phone service, power and water supply, loading and unloading cargo or protecting perishable products or commodities from deterioration.

"Routine government action" does not include a decision by a foreign official to award new business or to continue doing business with a particular company. It also does not include discretionary actions by middle or high-level officials, such as settling tax or contractual disputes, fixing customs duties or certifying compliance with permit terms or

conditions. You must remember that such "facilitating payments" may not be legal in the country where you want to make them, and if this is the case, you cannot make them. If you have any doubt, contact the Law Department.

As a matter of Company policy, employees may make lawful facilitating payments not exceeding the equivalent of \$100 U.S. dollars to low-level government employees for the purpose of expediting routine government actions with the permission of senior management of the UGI operating unit involved. Payment may not be broken down into multiple installments for the same recipient in order to avoid this limitation. Payments above that amount may only be made if approved in advance by the Compliance Officer.

"Promotional" Expenditures Outside the U.S.

Employees may make lawful, reasonable and bona fide expenditures to promote, demonstrate or explain products or services or to assist in the execution or performance of a contract even when made to or for a foreign government official. To qualify as a permitted promotional expense, the expenditure must be lawful in the country in which it is planned to be made. Examples of such payments include:

- Travel and lodging expenses of prospective customers for facility visits;
- Visits to trade shows demonstrating the Company's products;
- Reasonable and customary gifts, business entertainment and promotional activity; and
- Lobbying that is conducted lawfully under the foreign country's laws.

All promotional expenditures must be carefully recorded and supported by receipts, expense vouchers and similar documentation. Employees may pay for or provide gifts up to the equivalent of \$100 U.S. dollars per recipient and may provide business entertainment that is not excessive or lavish with the permission of senior management of the UGI operating unit involved. Expenditures above that amount may only be made if approved in advance by the Compliance Officer.

Extortion

Extortion occurs when a foreign official unlawfully demands payment to perform his or her job, or when terrorists, kidnappers, etc. demand money. The Foreign Corrupt Practices Act permits payments made in reaction to credible threats of physical harm (kidnapping) or physical damage (destroying property). Enforcement authorities take a strict view of payments made in response to extortion; for example, they could prosecute if the only threat made is the loss of business. Company Personnel who encounter an extortion situation must contact the Law Department immediately.

Reporting Violations & Anti-Retaliation Policy

Company Personnel must immediately report in writing to the Compliance Officer any suspected or actual violation of applicable law or regulations or this Code of Business Conduct and Ethics. The report will be kept confidential, except to the extent information is used to confirm and, if necessary, take action with respect to the issue raised. Reports may be made anonymously. Once an employee or other individual has made a report, he or she has an obligation to update the report as new information comes to his or her attention. Written reports can be made on the attached form, but a letter or other format is permissible. All reports should be made to:

Compliance Officer
UGI Corporation
P.O. Box 858
Valley Forge, PA 19482
USA

The Investigation

The Company will promptly investigate the report. The investigation will be handled as discreetly as reasonably possible, allowing for a fair investigation and any necessary corrective action. Appropriate corrective action will be taken whenever a violation of applicable law, regulations or this Code is determined to have occurred. Depending on the nature of the violation, the offending individual can be subject to disciplinary action, up to and including termination and possible criminal prosecution. In addition, anyone who interferes with an investigation or provides information in an investigation that the individual knows to be untrue or inaccurate will be subject to disciplinary action, up to and including termination of employment.

Anti-Retaliation Policy

The Company prohibits any form of retaliation against Company Personnel who, for lawful purposes, report to the Company any conduct or activity that he or she reasonably believes may violate the Company's Code of Business Conduct and Ethics, any law or regulation applicable

to the Company or any other suspected improper, unethical or illegal conduct or activities by anyone at the Company. The Company also prohibits any form of retaliation against Company Personnel who provide information, cause information to be provided, or assist in an investigation conducted by the Company or any governmental body regarding a possible violation of any law or regulation, or who file, cause to be filed, or assist, participate or give testimony in any proceeding relating to an alleged violation of any law, rule or regulation. All officers and managers are responsible for ensuring adherence to this no-retaliation policy.

Procedures for Violations of the Anti-Retaliation Policy

Retaliation against Company Personnel who in good faith file a complaint or participate in an investigation is strictly prohibited. If any Company Personnel believes that he or she has been retaliated against (including threatened or harassed) in violation of this policy, he or she should immediately report it to the Compliance Officer, the Vice President of Human Resources or Chief Executive Officer. Once an employee or other Company Personnel reports retaliation prohibited by this policy, the Company will promptly investigate the matter. The investigation will be handled as discreetly as reasonably possible, allowing for a fair investigation and any necessary corrective action. Appropriate corrective action will be taken whenever a violation of this policy is determined to have occurred. Depending on the nature of the violation, the offending individual can be subject to disciplinary action, up to and including termination. In addition, anyone who interferes with an investigation or provides information in an investigation that the individual knows to be untrue or inaccurate will be subject to disciplinary action, up to and including termination of employment.

Approved by the Board of Directors of
UGI Corporation on January 27, 2004

UGI CORPORATION
Code of Business Conduct and Ethics
Violation Report

Your Name (optional): _____

How we may contact you (optional): _____

Phone number: _____ (specify home or work)

Email address _____

Other _____

Describe the Violation or Potential Violation: _____
