

SUBURBAN PROPANE PARTNERS LP
Form DEF 14A
March 08, 2012
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

SUBURBAN PROPANE PARTNERS, L.P.

(Name of Registrant as Specified In Its Charter)

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

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

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:

(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

One Suburban Plaza 240 Route 10 West P.O. Box 206 Whippany, NJ 07981-0206

Office 973-887-5300

<http://www.suburbanpropane.com>

Michael J. Dunn, Jr.

President and Chief Executive Officer

March 8, 2012

Dear Fellow Suburban Unitholder:

You are cordially invited to attend the Tri-Annual Meeting of the Limited Partners of Suburban Propane Partners, L.P. to be held on Tuesday, May 1, 2012, beginning at 9:00 a.m. at our executive offices at One Suburban Plaza, 240 Route 10 West, Whippany, New Jersey.

Whether or not you plan to attend in person, it is important that your units be represented at the meeting. You may vote on the matters that come before the meeting by completing the enclosed proxy card and returning it in the envelope provided.

Attendance at the Tri-Annual Meeting will be open to holders of record of common units as of the close of business on March 5, 2012. I look forward to greeting those of you who will be able to attend.

Sincerely,

Michael J. Dunn, Jr.
President and Chief Executive Officer

Table of Contents

SUBURBAN PROPANE PARTNERS, L.P.

NOTICE OF TRI-ANNUAL MEETING

May 1, 2012

The Tri-Annual Meeting of the Limited Partners of Suburban Propane Partners, L.P. (Suburban) will be held at 9:00 a.m. on Tuesday, May 1, 2012, at our executive offices at One Suburban Plaza, 240 Route 10 West, Whippany, New Jersey, for the following purposes:

1. To elect six Supervisors to three-year terms;
2. To approve the Fourth Amended and Restated Agreement of Limited Partnership of Suburban and the Fourth Amended and Restated Agreement of Limited Partnership of Suburban's operating subsidiary, Suburban Propane, L.P., which amend the Third Amended and Restated Agreements of Limited Partnership of the respective companies (collectively, the Existing Partnership Agreements) to potentially enhance the ability of Suburban to facilitate third party financing transactions and to effect certain technical amendments;
3. To approve amendments to the Existing Partnership Agreements to provide that the exclusive forum, venue and jurisdiction for any claim, suit, action or proceeding relating to those agreements shall be the courts of the State of Delaware;
4. To provide our Limited Partners with the opportunity to cast an advisory vote on the compensation of our named executive officers;
5. To approve the adjournment of the Tri-Annual Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Tri-Annual Meeting to approve Proposal 2 or Proposal 3 above; and
6. To consider any other matters that may properly come before the meeting.

Only holders of record of common units as of the close of business on March 5, 2012 are entitled to notice of, and to vote at, the meeting.

By Order of the Board of Supervisors,

Paul Abel
Vice President, Secretary & General Counsel

March 8, 2012

IMPORTANT

Your vote is important. Whether or not you expect to attend the meeting in person, we urge you to complete and return the enclosed proxy card at your earliest convenience in the postage-paid envelope provided, or vote using the Internet or by telephone.

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE TRI-ANNUAL MEETING</u>	1
<u>PROPOSAL 1 ELECTION OF SUPERVISORS</u>	5
<u>NOMINEES FOR ELECTION AS SUPERVISORS</u>	5
<u>Vote Required and Recommendation of the Board of Supervisors</u>	7
<u>EXECUTIVE OFFICERS OF SUBURBAN</u>	7
<u>PARTNERSHIP GOVERNANCE</u>	9
<u>Supervisor Nominations and Criteria for Board Membership</u>	11
<u>Attendance at Meetings</u>	12
<u>Unitholder Communications with the Board of Supervisors</u>	12
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	12
<u>Code of Ethics and Code of Business Conduct and Ethics</u>	12
<u>Corporate Governance Guidelines</u>	13
<u>NYSE Annual CEO Certification</u>	13
<u>REPORT OF THE AUDIT COMMITTEE</u>	14
<u>PRINCIPAL ACCOUNTING FEES AND SERVICES</u>	15
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	15
<u>ADDITIONAL INFORMATION REGARDING EXECUTIVE COMPENSATION</u>	31
<u>SUPERVISORS COMPENSATION</u>	40
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	41
<u>PROPOSAL 2 FINANCING RELATED AMENDMENTS (INCLUDING TECHNICAL AMENDMENTS) TO THE EXISTING PARTNERSHIP AGREEMENTS</u>	42
<u>Reasons for the Financing Related Amendments Proposal</u>	42
<u>Description of the Financing Related and Other Technical Amendments</u>	42
<u>Vote Required and Recommendation of the Board of Supervisors</u>	44
<u>PROPOSAL 3 DELAWARE FORUM AMENDMENTS TO THE EXISTING PARTNERSHIP AGREEMENTS</u>	45
<u>Reasons for the Delaware Forum Amendments Proposal</u>	45
<u>Description of the Delaware Forum Amendments</u>	45
<u>Vote Required and Recommendation of the Board of Supervisors</u>	45
<u>PROPOSAL 4 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	46
<u>Vote Required and Recommendation of the Board of Supervisors</u>	46
<u>PROPOSAL 5 ADJOURNMENT OF THE TRI-ANNUAL MEETING</u>	47
<u>Vote Required and Recommendation of the Board of Supervisors</u>	47
<u>APPENDICES</u>	48
<u>Appendix A</u>	A-1
<u>Appendix B</u>	B-1

Table of Contents

SUBURBAN PROPANE PARTNERS, L.P.

One Suburban Plaza

240 Route 10 West

Whippany, New Jersey 07981-0206

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE TRI-ANNUAL MEETING

This Proxy Statement (first mailed, together with a form of proxy, on or about March 8, 2012) is being furnished to holders of Common Units of Suburban Propane Partners, L.P., which we refer to as Suburban, we or our, in connection with the solicitation of proxies by the Board of Supervisors of Suburban, which we refer to as the Board, for use at Suburban's Tri-Annual Meeting of Limited Partners and any postponements or adjournments thereof, which we refer to as the Meeting.

Q: When and where is the Meeting?

A: The Meeting will be held at 9:00 a.m. on Tuesday, May 1, 2012, at our executive offices at One Suburban Plaza, 240 Route 10 West, Whippany, New Jersey.

Q: What is the purpose of the Meeting?

A: At the Meeting, holders of Common Units, whom we refer to as Unitholders, will be asked to consider and vote on the following five proposals:

PROPOSAL NO. 1 To elect six Supervisors to three-year terms, which we refer to as the Election Proposal.

PROPOSAL NO. 2 To approve the Fourth Amended and Restated Agreement of Limited Partnership of Suburban, which we refer to as the Restated MLP Agreement, and the Fourth Amended and Restated Agreement of Limited Partnership, which we refer to as the Restated OLP Agreement, of Suburban's operating subsidiary, Suburban Propane, L.P., which we refer to as the Operating Partnership, which amend the Third Amended and Restated Agreements of Limited Partnership (as amended) of the respective companies, which we refer to as the Existing MLP Agreement and the Existing OLP Agreement, respectively, and which we collectively refer to as the Existing Partnership Agreements, to potentially enhance the ability of Suburban to facilitate third party financing transactions and to effect certain technical amendments. We collectively refer to the Restated MLP Agreement and the Restated OLP Agreement as the Restated Partnership Agreements and we refer to this Proposal as the Financing Related Amendments Proposal.

PROPOSAL NO. 3 To approve amendments to the Existing Partnership Agreements to provide that the exclusive forum, venue and jurisdiction for any claim, suit, action or proceeding relating to those agreements shall be the courts of the State of Delaware, which we refer to as the Delaware Forum Amendments Proposal. We collectively refer to the Financing Related Amendments Proposal and the Delaware Forum Amendments Proposal as the Amendment Proposals.

PROPOSAL NO. 4 To provide our Unitholders with the opportunity to cast an advisory vote on the compensation of our named executive officers, which we refer to as the Say-on-Pay Proposal.

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

PROPOSAL NO. 5 To approve the adjournment of the Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Tri-Annual Meeting to approve the Amendment Proposals, which we refer to as the Adjournment Proposal.

Q: How does the Board recommend I vote on the proposals?

A: The Board unanimously recommends a vote **FOR** each of its nominees for Supervisor, approval of each of the Amendment Proposals, approval of the Say-on-Pay Proposal and approval of the Adjournment Proposal.

Table of Contents

Q: How will voting on any other business be conducted?

A: The Board of Supervisors does not know of any business to be considered at the meeting other than the proposals described in this Proxy Statement. However, if any other business is properly presented, your signed proxy card gives authority to the persons named in the proxy to vote on these matters at their discretion.

Q: Who is entitled to vote?

A: Each holder of Common Units as of the close of business on March 5, 2012, which we refer to as the Record Date, is entitled to vote at the Meeting.

Q: How many Common Units may be voted?

A: As of the Record Date, 35,500,806 Common Units were outstanding. Each Common Unit entitles its holder to one vote.

Q: What is a *quorum* ?

A: There must be a quorum for the meeting to be held. A quorum will be present if a majority of the outstanding Common Units is represented in person or by proxy at the meeting. If you submit a properly executed proxy card, even if you abstain from voting, then you will be considered part of the quorum. However, abstentions are not counted in the tally of votes FOR or AGAINST a proposal.

Q: What vote is required to approve the proposals?

A:

PROPOSAL NO. 1 Under the Existing MLP Agreement, the affirmative vote of holders of a plurality of the Common Units represented in person or by proxy at the Meeting is required to elect each Supervisor.

PROPOSAL NO. 2 Under the Existing MLP Agreement, the affirmative vote of holders of a majority of the issued and outstanding Common Units on the Record Date is required to approve the Financing Related Amendments Proposal.

PROPOSAL NO. 3 Under the Existing MLP Agreement, the affirmative vote of holders of a majority of the issued and outstanding Common Units on the Record Date is required to approve the Delaware Forum Amendments Proposal.

PROPOSAL NO. 4 The affirmative vote of a majority of the votes cast by the Unitholders, whether in person or by proxy, is required to approve the Say-on-Pay Proposal.

PROPOSAL NO. 5 The affirmative vote of a majority of the votes cast by the Unitholders, whether in person or by proxy, is required to approve the Adjournment Proposal.

Q: How do I vote?

A: You may vote by any one of three different methods:

In Writing. You can vote by marking, signing and dating the enclosed proxy card and returning it in the enclosed envelope.

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

By Telephone and Internet. You can vote your proxies by touchtone telephone from the US or through the Internet. Please follow the instructions on the enclosed proxy card.

In Person. You can vote by attending the Meeting.

Common Units represented by properly executed proxies that are not revoked will be voted in accordance with the instructions shown on the proxy card. If you return your signed proxy card but do not give instructions as to how you wish to vote, your Common Units will be voted **FOR** each of the proposals.

Table of Contents

Our Board of Supervisors urges Unitholders to complete, date, sign and return the accompanying proxy card, or to submit a proxy by telephone or over the Internet by following the instructions included with your proxy card, or, in the event you hold your Common Units through a broker or other nominee, by following the separate voting instructions received from your broker or nominee. Your broker or nominee may provide proxy submission through the Internet or by telephone. Please contact your broker or nominee to determine how to vote.

Q: What do I do if I want to change my vote?

A: You have the right to revoke your proxy at any time before the meeting by:

Notifying our Partnership Secretary;

Voting in person; or

Returning a later-dated proxy card.

Attendance at the Meeting will not, in and of itself, revoke your proxy.

Q: What does it mean if I receive more than one proxy card?

A: If your Common Units are registered differently and/or are in more than one account, you will receive more than one proxy card. Please mark, sign, date and return all of the proxy cards you receive to ensure that all of your Common Units are voted. We encourage you to have all accounts registered in the same name and address (whenever possible). You can accomplish this by contacting our transfer agent, Computershare Investor Services, P.O. Box 43078, Providence, RI 02940-3078 (mail), Computershare Investor Services, 250 Royall Street, Canton, MA 02021 (overnight delivery) or telephone 781-575-2724. The hearing impaired may contact Computershare at TDD 800-952-9245.

Q: What do I do if my Common Units are held in *street name* ?

A: If your Common Units are held in the name of your broker, a bank or other nominee, that party will give you instructions about how to vote your Common Units.

Q: Who will count the votes?

A: Representatives of Computershare Trust Company, N.A., our transfer agent and an independent tabulator, will count the votes and act as the inspector of election.

Q: Who is bearing the cost of this proxy solicitation?

A: The Board of Supervisors is soliciting your proxy on behalf of Suburban. We are bearing the cost of soliciting proxies for the Meeting. Georgeson Inc. has been retained to assist in the distribution of proxy materials and the solicitation of votes and will be paid a customary fee for its services totaling approximately \$16,000, plus reasonable out-of-pocket expenses. In addition to using the mail, our Supervisors, officers and employees may solicit proxies by telephone, personal interview or otherwise. They will not receive additional compensation for this activity, but may be reimbursed for their reasonable out-of-pocket expenses. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to Unitholders.

Q: Will the independent registered public accountants attend the Meeting?

A: Representatives of PricewaterhouseCoopers LLP, our independent registered public accounting firm for the fiscal years ended September 24, 2011 and ending September 29, 2012, will attend the Meeting, will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Table of Contents

Q: When are the Unitholder proposals for the next meeting of Unitholders due?

A: We presently expect that our next Tri-Annual Meeting will be held in May 2015. If a Unitholder intends to present any proposals for inclusion in Suburban's proxy statement in accordance with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, for consideration at Suburban's 2015 Tri-Annual Meeting, the proposal must be received at Suburban's principal executive offices by November 7, 2014.

In accordance with the Existing MLP Agreement (and, if it is approved at the Meeting, the Restated MLP Agreement), if a Unitholder intends, at the 2015 Tri-Annual Meeting, to nominate a person for election to the Board of Supervisors, the Unitholder must deliver notice thereof to the Board of Supervisors not earlier than the close of business on January 1, 2015 and not later than January 31, 2015. A different notice deadline will apply for the nomination of persons for election to the Board of Supervisors if the date of the 2015 Tri-Annual Meeting is not publicly announced by Suburban more than 100 days prior to the date of such meeting. Such deadline, and the procedures that a Unitholder must follow to nominate a person for election to the Board of Supervisors, are further described below under the heading Supervisor Nominations and Criteria for Board Meetings Unitholder Nominations.

If we do not receive notice of any Unitholder proposal for the 2015 Tri-Annual Meeting by January 31, 2015, then Suburban's proxy may confer discretionary authority on the persons being appointed as proxies to vote on such proposals.

If the date of the 2015 Tri-Annual Meeting is changed to a different month, we will advise our Unitholders of the new date for the submission of Unitholder proposals in our earliest possible quarterly report on Form 10-Q filed with the Securities and Exchange Commission.

Q: Where and when will I be able to find the voting results?

A: In addition to announcing the results at the Meeting, we will post the results on our web site at www.suburbanpropane.com within two days after the Meeting. You will also be able to find the results in our Current Report on Form 8-K that we will file with the Securities and Exchange Commission within four business days following conclusion of the Meeting.

Q: How can I obtain a copy of our 2011 Annual Report on Form 10-K?

A: We will provide an additional copy of our 2011 Annual Report on Form 10-K, including the financial statements and financial statement schedule filed therewith, without charge, upon written request to Investor Relations, Suburban Propane Partners, L.P., 240 Route 10 West, P.O. Box 206, Whippany, New Jersey 07981-0206. We will furnish a requesting Unitholder with any exhibit not contained therein upon payment of a reasonable fee, which fee shall be limited to our reasonable expenses in furnishing such exhibit.

Q: Who can I contact for further information?

A: If you need assistance in voting your Common Units, please call the firm assisting us in the solicitation of proxies for the Meeting:

Georgeson Inc.

199 Water Street, 26th Floor

New York, NY 10038-3560

Banks and Brokers Call (212) 440-9800

All Others Call Toll Free (866) 695-6078

Table of Contents

Q: What can I do if I and another Unitholder with whom I live want to receive two copies of this proxy statement?

A: In order to reduce our printing and postage costs, Unitholders who share a single address will receive only one copy of this proxy statement at that address unless we have received instructions to the contrary from any Unitholder at that address. However, if a Unitholder residing at such an address wishes to receive a separate copy of this proxy statement or of future proxy statements (as applicable), he or she may contact Investor Relations, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206. We will deliver separate copies of this proxy statement promptly upon written or oral request. If you are a Unitholder receiving multiple copies of our proxy statement, you can request to receive only one copy by contacting us in the same manner. If you own your Common Units through a bank, broker or other Unitholder of record, you may request additional or fewer copies of this proxy statement by contacting the Unitholder of record.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING

This Proxy Statement and the accompanying Annual Report to Unitholders are available at www.suburbanpropane.com.

If you plan on attending the Meeting to vote in person and need directions to our headquarters, please call 973-887-5300.

ELECTION OF SUPERVISORS

(Proposal No. 1 on the Proxy Card)

Unitholders are entitled to elect all six members of the Board of Supervisors (the *Supervisors*). The nominees for Supervisors, all of whom are currently serving as Supervisors, are described below (as of March 5, 2012). If elected, all nominees are expected to serve until the 2015 Tri-Annual Meeting and until their successors are duly elected. Although the Board does not anticipate that any of the persons named below will be unable to stand for election, if for any reason a nominee becomes unavailable for election, the persons named in the form of proxy have advised that they will vote for such substitute nominee as the Board may propose. In accordance with our Corporate Governance Guidelines and Principles (described more fully below) and the rules of the New York Stock Exchange, we have affirmatively determined that our Board of Supervisors is currently composed of a majority of independent directors, and that the following directors and nominee directors are independent: Harold R. Logan, Jr., John Hoyt Stookey, Dudley C. Mecum, John D. Collins and Jane Swift.

NOMINEES FOR ELECTION AS SUPERVISORS

Harold R. Logan, Jr.

Age 67

Mr. Logan has served as a Supervisor since March 1996 and was elected as Chairman of the Board of Supervisors in January 2007. Mr. Logan is a Co-Founder and, from 2006 to the present has been serving as a Director of Basic Materials and Services LLC, an investment company that has invested in companies that provide specialized infrastructure services and materials for the pipeline construction industry and the sand/silica industry. From 2003 to September 2006, Mr. Logan was a Director and Chairman of the Finance Committee of the Board of Directors of TransMontaigne Inc., which provided logistical services (i.e. pipeline, terminaling and marketing) to producers and end-users of refined petroleum products. From 1995 to 2002, Mr. Logan was Executive Vice President/Finance, Treasurer and a Director of TransMontaigne Inc. From 1987 to 1995, Mr. Logan served as Senior Vice President of Finance and a Director of Associated Natural Gas Corporation, an independent gatherer and marketer of natural gas, natural gas liquids and crude oil. Mr. Logan is also a Director of Cimarex Energy Co. (where he serves as Lead Director), Graphic Packaging Holding Company and Hart Energy Publishing LLP, and, until it was sold in 2007, served as a Director of The Houston Exploration Company.

Table of Contents

Over the past 40 years, Mr. Logan's education, investment banking/venture capital experience and business/financial management experience have provided him with a comprehensive understanding of business and finance. Most of Mr. Logan's business experience has been in the energy industry, both in investment banking and as a senior financial officer and director of publicly-owned energy companies. Mr. Logan's expertise and experience have been relevant to his responsibilities of providing oversight and advice to the managements of public companies, and is of particular benefit in his role as our Chairman. Since 1996, Mr. Logan has been a director of nine public companies and has served on audit, compensation and governance committees.

John Hoyt Stookey

Age 82

Mr. Stookey has served as a Supervisor since March 1996. He was Chairman of the Board of Supervisors from March 1996 through January 2007. From 1986 until September 1993, he was the Chairman, President and Chief Executive Officer of Quantum Chemical Corporation, a predecessor of Suburban which we refer to as Quantum. He served as non-executive Chairman and a Director of Quantum from its acquisition by Hanson plc, a global diversified industrial conglomerate, in September 1993 until October 1995, at which time he retired. Since then, Mr. Stookey has served as a trustee for a number of non-profit organizations, including founding and serving as non-executive Chairman of Per Scholas Inc. (a non-profit organization dedicated to using technology to improve the lives of residents of the South Bronx) and Landmark Volunteers (places high school students in volunteer positions with non-profit organizations during summer vacations) and has also served on the Board of Directors of The Clark Foundation, The Robert Sterling Clark Foundation and The Berkshire Taconic Community Foundation.

Mr. Stookey's qualifications to sit on our Board include his extensive experience as Chief Executive Officer of 4 corporations (including a predecessor of Suburban) and his many years of service as a director of publicly-owned corporations and non-profit organizations.

Dudley C. Mecum

Age 77

Mr. Mecum has served as a Supervisor since June 1996. He was a Managing Director of Capricorn Holdings, LLC (a sponsor of and investor in leveraged buyouts) from 1997 to 2011, and a partner of G.L. Ohrstrom & Co. (a sponsor of and investor in leveraged buyouts) from 1989 to 1996. Until 2007, Mr. Mecum was a director of Citigroup, Inc.

Mr. Mecum's qualifications to sit on our Board include his 20 years in public accounting, rising to the level of Vice Chairman of KPMG LLP, a public accounting firm, his service as Assistant Secretary of the Army for Installations and Logistics and his 15 years of service overseeing or managing various companies. Mr. Mecum has over 20 years of service as a director of various publicly-owned companies.

John D. Collins

Age 73

Mr. Collins has served as a Supervisor since April 2007. He served with KPMG LLP, an international accounting firm, from 1962 until 2000, most recently as senior audit partner of its New York office. He has served as a United States representative on the International Auditing Procedures Committee, a committee of international accountants responsible for establishing international auditing standards. Mr. Collins is a Director of Montpelier Re and, until recently, was a Director of Columbia Atlantic Funds and Mrs. Fields Original Cookies, Inc.

Mr. Collins' qualifications to sit on our Board, and serve as Chairman of its Audit Committee, include his 40 years of experience in public accounting, including 31 years as a partner supervising the audits of public companies. Mr. Collins has served on a number of AICPA and international accounting and auditing standards bodies.

Table of Contents**Jane Swift**

Age 47

Ms. Swift has served as a Supervisor since April 2007. She is currently the CEO of Middlebury Interactive Languages, LLC, a marketer of world language products. From 2010 through July 2011, Ms. Swift served as Senior Vice President of ConnectEDU Inc., a private education technology company. In 2007, she founded WNP Consulting, LLC, a provider of expert advice and guidance to early stage education companies. From 2003 to 2006 she was a General Partner at Arcadia Partners, a venture capital firm focused on the education industry. She has previously served on the boards of K12, Inc. and Animated Speech Company and currently serves on the boards of Sally Ride Science Inc. and several not-for-profit boards, including The Republican Majority for Choice and Landmark Volunteers, Inc. Prior to joining Arcadia, Ms. Swift served for 15 years in Massachusetts state government, becoming Massachusetts' first woman governor in 2001.

Ms. Swift's qualifications to sit on our Board include her strong skills in public policy and government relations and her extensive knowledge of regulatory matters arising from her 15 years in state government.

Michael J. Dunn, Jr.

Age 62

Mr. Dunn has served as our President since May 2005 and as our Chief Executive Officer since September 2009. Mr. Dunn has served as a Supervisor since July 1998. From June 1998 until May 2005 he was Senior Vice President, becoming Senior Vice President - Corporate Development in November 2002. He was Vice President - Procurement and Logistics from March 1997 until June 1998. Before joining Suburban, Mr. Dunn was Vice President of Commodity Trading for the investment banking firm of Goldman Sachs & Company (Goldman Sachs). Mr. Dunn is the sole member of Suburban's General Partner.

Mr. Dunn's qualifications to sit on our Board include his more than 14 years of experience in the propane industry, including as our President for the past 7 years and Chief Executive Officer for the past 3 years, which day to day leadership roles have provided him with intimate knowledge of our operations.

Vote Required and Recommendation of the Board of Supervisors

Under the Existing MLP Agreement, the affirmative vote of holders of a plurality of the Common Units represented in person or by proxy at the Meeting is required to elect each Supervisor. The Board of Supervisors unanimously recommends a vote **FOR** the election of each of the above nominees.

EXECUTIVE OFFICERS OF SUBURBAN

The following table sets forth certain information with respect to our executive officers as of March 5, 2012. Officers are appointed by the Board of Supervisors for one-year terms.

Name	Age	Position With Suburban
Michael J. Dunn, Jr.	62	President and Chief Executive Officer; Member of the Board of Supervisors
Michael A. Stivala	42	Chief Financial Officer
Michael M. Keating	58	Senior Vice President - Administration
A. Davin D. Ambrosio	48	Vice President and Treasurer
Paul Abel	58	Vice President, General Counsel and Secretary
Mark Anton, II	54	Vice President - Business Development
Steven C. Boyd	47	Vice President - Field Operations
Douglas T. Brinkworth	50	Vice President - Product Supply
Michael Kuglin	42	Vice President and Chief Accounting Officer
Neil Scanlon	46	Vice President - Information Services
Mark Wienberg	49	Vice President - Operational Support and Analysis

Table of Contents

For Mr. Dunn's biographical information, see "Nominees for Election as Supervisors" above.

Mr. Stivala has served as our Chief Financial Officer since November 2009, and, before that, as our Chief Financial Officer and Chief Accounting Officer since October 2007. Prior to that he was our Contoller and Chief Accounting Officer since May 2005 and Contoller since December 2001. Before joining Suburban, he held several positions with PricewaterhouseCoopers LLP, an international accounting firm, most recently as Senior Manager in the Assurance practice. Mr. Stivala is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

Mr. Keating has served as our Senior Vice President - Administration since July 2009. From July 1996 to that date he was our Vice President Human Resources and Administration. He previously held senior human resource positions at Hanson Industries (the United States management division of Hanson plc) and Quantum.

Mr. D' Ambrosio has served as our Treasurer since November 2002 and was additionally made a Vice President in October 2007. He served as our Assistant Treasurer from October 2000 to November 2002 and as our Director of Treasury Services from January 1998 to October 2000. Mr. D' Ambrosio joined Suburban in May 1996 after ten years in the commercial banking industry.

Mr. Abel has served as our General Counsel and Secretary since June 2006 and was additionally made a Vice President in October 2007. From May 2005 until June 2006, Mr. Abel was Assistant General Counsel of Velocita Wireless, L.P., the owner and operator of a nationwide wireless data network. From 1998 until May 2005, Mr. Abel was Vice President, Secretary and General Counsel of AXS-One Inc. (formerly known as Computron Software, Inc.), an international business software company.

Mr. Anton has served as our Vice President - Business Development since he joined Suburban in 1999. Prior to joining Suburban, Mr. Anton worked as an Area Manager for another large multi-state propane marketer and was a Vice President at several large investment banking organizations.

Mr. Boyd has served as our Vice President - Field Operations (formerly Vice President - Operations) since October 2008. Prior to that he was our Southeast and Western Area Vice President since March 2007, Managing Director - Area Operations since November 2003 and Regional Manager - Northern California since May 1997. Mr. Boyd held various managerial positions with predecessors of Suburban from 1986 through 1996.

Mr. Brinkworth has served as our Vice President - Product Supply (formerly Vice President - Supply) since May 2005. Mr. Brinkworth joined Suburban in April 1997 after a nine year career with Goldman Sachs and, since joining Suburban, has served in various positions in the product supply area.

Mr. Kuglin has served as our Vice President and Chief Accounting Officer since November 2011. Prior to that he was our Contoller and Chief Accounting Officer since November 2009 and Contoller since October 2007. For the eight years prior to joining Suburban he held several financial and managerial positions with Alcatel-Lucent, a global communications solutions provider. Prior to Alcatel-Lucent, Mr. Kuglin held several positions with the international accounting firm PricewaterhouseCoopers LLP, most recently Manager in the Assurance practice. Mr. Kuglin is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

Mr. Scanlon became our Vice President - Information Services in November 2008. Prior to that he served as our Assistant Vice President Information Services since November 2007, Managing Director - Information Services from November 2002 to November 2007 and Director Information Services from April 1997 until November 2002. Prior to joining Suburban, Mr. Scanlon spent several years with JP Morgan & Co., most recently as Vice President - Corporate Systems and earlier held several positions with Andersen Consulting (Accenture), an international systems consulting firm, most recently as Manager.

Table of Contents

Mr. Wienberg has served as our Vice President – Operational Support and Analysis (formerly Vice President – Operational Planning) since October 2007. Prior to that he served as our Managing Director, Financial Planning and Analysis from October 2003 to October 2007 and as our Director, Financial Planning and Analysis from July 2001 to October 2003. Prior to joining Suburban, Mr. Wienberg was Assistant Vice President – Finance of International Home Foods Corp., a consumer products manufacturer.

PARTNERSHIP GOVERNANCE

The Existing MLP Agreement provides (and, if approved at the Meeting, the Restated MLP Agreement will provide) that all management powers over our business and affairs are exclusively vested in our Board of Supervisors and, subject to the direction of the Board of Supervisors, our officers. No Unitholder has any management power over our business and affairs or actual or apparent authority to enter into contracts on behalf of or otherwise to bind us.

Board Committees

The Board has two standing committees: an Audit Committee and a Compensation Committee. Because the Board of Supervisors consists of only six members, Suburban feels it is not necessary to have a separate nominating committee. Rather, the full Board participates in the selection of nominees to serve as Supervisors.

Audit Committee

Five Supervisors, who are not officers or employees of Suburban or its subsidiaries, serve on the Audit Committee with authority to review, approve or ratify, at the request of the Board of Supervisors, specific matters as to which the Board of Supervisors believes there may be a conflict of interest, or which may be required to be disclosed pursuant to Item 404(a) of Regulation S-K adopted by the Securities and Exchange Commission, in order to determine if the resolution or course of action in respect of such conflict proposed by the Board of Supervisors is fair and reasonable to us. Under the Existing MLP Agreement, any matter that receives the Special Approval of the Audit Committee (i.e., approval by a majority of the members of the Audit Committee) is conclusively deemed to be fair and reasonable to us, is deemed approved by all of our partners and shall not constitute a breach of the Existing MLP Agreement or any duty stated or implied by law or equity as long as the material facts known to the party having the potential conflict of interest regarding that matter were disclosed to the Audit Committee at the time it gave Special Approval. The Audit Committee also assists the Board of Supervisors in fulfilling its oversight responsibilities relating to (a) integrity of Suburban's financial statements and internal control over financial reporting; (b) Suburban's compliance with applicable laws, regulations and its code of conduct; (c) independence and qualifications of the independent registered public accounting firm; (d) performance of the internal audit function and the independent registered public accounting firm; and (e) accounting complaints.

Our Board has adopted a written charter for the Audit Committee, which is reviewed periodically to ensure that it meets all applicable legal and NYSE listing requirements. A copy of our Audit Committee Charter is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Investor Relations, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206.

The Board of Supervisors has determined that all five members of the Audit Committee, Harold R. Logan, Jr., John Hoyt Stookey, Dudley C. Mecum, John D. Collins (its Chairman) and Jane Swift are independent and (with the exception of Ms. Swift) are audit committee financial experts within the meaning of the NYSE corporate governance listing standards and in accordance with Rule 10A-3 of the Exchange Act, Item 407 of Regulation S-K and the Partnership's criteria for Supervisor independence set forth below as of the date of this Proxy Statement.

Table of Contents

The Corporate Governance Guidelines and Principles adopted by the Board of Supervisors (and available on our website at www.suburbanpropane.com) set forth that a Supervisor is deemed to be lacking a material relationship to Suburban and is therefore independent if the following criteria are satisfied:

1. Within the past three years, the Supervisor:
 - a. has not been employed by Suburban and has not received more than \$100,000 per year in direct compensation from Suburban, other than Supervisor and committee fees and pension or other forms of deferred compensation for prior service;
 - b. has not provided significant advisory or consultancy services to Suburban, and has not been affiliated with a company or a firm that has provided such services to Suburban in return for aggregate payments during any of the last three fiscal years of Suburban in excess of the greater of 2% of the other company's consolidated gross revenues or \$1 million;
 - c. has not been a significant customer or supplier of Suburban and has not been affiliated with a company or firm that has been a customer or supplier of Suburban and has either made to Suburban or received from Suburban payments during any of the last three fiscal years of Suburban in excess of the greater of 2% of the other company's consolidated gross revenues or \$1 million;
 - d. has not been employed by or affiliated with an internal or external auditor that within the past three years provided services to Suburban; and
 - e. has not been employed by another company where any of Suburban's current executives serve on that company's compensation committee;
2. The Supervisor is not a spouse, parent, sibling, child, mother- or father-in-law, son- or daughter-in-law or brother- or sister-in-law of a person having a relationship described in 1. above nor shares a residence with such person;
3. The Supervisor is not affiliated with a tax-exempt entity that within the past 12 months received significant contributions from Suburban (contributions of the greater of 2% of the entity's consolidated gross revenues or \$1 million are considered significant); and
4. The Supervisor does not have any other relationships with Suburban or with members of senior management of Suburban that the Board determines to be material.

Mr. Logan, Chairman of the Board, presides at the regularly scheduled executive sessions of the non-management Supervisors, all of whom are independent, held as part of the meetings of the Audit Committee. Investors and other parties interested in communicating directly with the non-management Supervisors as a group may do so by writing to the Non-Management Members of the Board of Supervisors, c/o Partnership Secretary, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206.

The Audit Committee met 8 times during fiscal 2011.

Compensation Committee

The Compensation Committee reviews the performance and sets the compensation for all executives. It also approves the design of executive compensation programs. In addition, the Compensation Committee participates in executive succession planning and management development. The committee met 3 times during fiscal 2011. Its members are John Hoyt Stookey (its Chairman), Harold R. Logan, Jr., John D. Collins, Dudley C. Mecum and Jane Swift, none of whom are officers or employees of Suburban.

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

Our Board has adopted a Compensation Committee Charter. A copy of our Compensation Committee Charter is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Investor Relations, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206.

Table of Contents

Supervisor Nominations and Criteria for Board Membership

The full Board of Supervisors, five of whom are independent in accordance with our Corporate Governance Guidelines and Principles and the rules of the NYSE, participates in the consideration of Supervisor nominees. To fulfill its responsibility to recruit nominees for election as Supervisors, the Board of Supervisors reviews the composition of the Board to determine the qualifications and areas of expertise needed to further enhance the composition of the Board and works with management in attracting candidates with those qualifications. Since we do not have a separate nominating committee, there is no charter governing the nomination process, but our Corporate Governance Guidelines and Principles set forth the following minimum qualifications for our Supervisors, whom are nominated in accordance with the procedures set forth in the Existing MLP Agreement:

1. **Integrity.** Individuals must be of personal and professional integrity and ethical character, who recognize and value these qualities in others.
2. **Absence of Conflicts of Interest.** In addition to meeting the independence standards set forth elsewhere in the Guidelines, a Supervisor should not have any interests that would materially impair his or her ability to (i) exercise independent judgment or (ii) otherwise discharge the fiduciary duties owed as a supervisor to Suburban and its unitholders.
3. **Fair and Equal Representation.** A Supervisor must be able to represent fairly and equally the long-term interests of all of Suburban's unitholders without favoring or advancing any particular unitholder or other constituency of Suburban.
4. **Achievement.** A Supervisor must have demonstrated achievement in one or more fields of business, professional, or governmental endeavor.
5. **Oversight.** A Supervisor is expected to have sound judgment, borne of management or policy-making experience (which may be as an advisor or consultant), that demonstrates an ability to function effectively in an oversight role (including an inquisitive and rigorous manner of monitoring).
6. **Experience and Business Understanding.** A Supervisor should have relevant or relatable expertise and experience, and be able to offer advice and guidance to management based on that expertise and experience. In addition, he/she must have a general appreciation regarding key issues facing public companies of a size and operational scope similar to Suburban, including:

corporate governance concerns;

regulatory obligations of a public issuer;

strategic business planning; and

basic concepts of corporate finance.

7. **Available Time.** A Supervisor must have sufficient time available to devote to the affairs of the Board, be fully prepared to devote such time, and be physically and mentally capable of devoting such time. It is expected that each candidate will be available and able to attend substantially all meetings of the Board and any committees on which he/she will serve, as well as Suburban's tri-annual and special meetings of unitholders, after taking into consideration his/her other business and professional commitments, including service on the boards of other companies. The Board should include at least some supervisors who are committed to service on the Board for an extended period of time.

8. **Diversity.** The Board seeks an appropriate diversity of personal and professional background, experience, expertise, and perspective among Supervisors. Board Supervisors should be able to cooperate with other Board members and contribute to the collegiality of the Board.

In addition, the Board considers the number of other boards of public companies on which a candidate serves.

Table of Contents

Unitholder Nominations

The Board considers candidates for Supervisor suggested by our Unitholders, provided that the recommendations are made in accordance with the procedures set forth in the Existing MLP Agreement. Any Unitholder (or group of Unitholders) that beneficially owns 10% or more of the outstanding Common Units is entitled to nominate one or more individuals to stand for election as Supervisors at a Tri-Annual Meeting by providing written notice thereof to the Board of Supervisors not more than 120 days and not less than 90 days prior to the date of such Tri-Annual Meeting; provided, however, that in the event that the date of the Tri-Annual Meeting was not publicly announced by Suburban by mail, press release or otherwise more than 100 days prior to the date of such meeting, such notice, to be timely, must be delivered to the Board of Supervisors not later than the close of business on the 10th day following the date on which the date of the Tri-Annual Meeting was announced. The notice must set forth (i) the name and address of the Unitholder(s) making the nomination or nominations, (ii) the number of Common Units beneficially owned by such Unitholder(s), (iii) such information regarding the nominee(s) proposed by the Unitholder(s) as would be required to be included in a proxy statement relating to the solicitation of proxies for the election of Supervisors filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee(s) been nominated or intended to be nominated to the Board of Supervisors, (iv) the written consent of each nominee to serve as a member of the Board of Supervisors if so elected and (v) a certification that such nominee(s) qualify as Supervisor(s). Unitholder nominees whose nominations comply with these procedures and who meet the minimum criteria for Board membership, as outlined above, will be evaluated by the Board of Supervisors in the same manner as the Board's nominees.

Attendance at Meetings

Unitholder Meetings

It is the policy of the Board of Supervisors that all Supervisors should attend Suburban's Unitholder meetings. All seven of the then Supervisors attended the Tri-Annual Meeting of Unitholders in July 2009.

Board and Committee Meetings

The Board held 6 meetings in fiscal 2011. Each Supervisor attended at least 75% of the total number of meetings of the Board and of the Committees of the Board on which such Supervisor served.

Unitholder Communications with the Board of Supervisors

Unitholders who wish to communicate directly with the Board as a group may do so by writing to the Suburban Board of Supervisors, c/o Partnership Secretary, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206. Unitholders may also communicate directly with individual Supervisors by addressing their correspondence accordingly.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, as amended, requires our Supervisors, executive officers and holders of 10 percent or more of our Common Units to file initial reports of ownership and reports of changes in ownership of our Common Units with the Securities and Exchange Commission. Supervisors, executive officers and 10 percent Unitholders are required to furnish Suburban with copies of all Section 16(a) forms that they file. Based on a review of these filings, we believe that all such filings were timely made during fiscal 2011.

Code of Ethics and Code of Business Conduct and Ethics

We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and a Code of Business Conduct and Ethics that applies to all of our employees, officers and Supervisors. Copies of our Code of Ethics

Table of Contents

and our Code of Business Conduct and Ethics are available without charge from our website at www.suburbanpropane.com or upon written request directed to: Investor Relations, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206. Any amendments to, or waivers from, provisions of our Code of Ethics or our Code of Business Conduct and Ethics that apply to our principal executive officer, principal financial officer and principal accounting officer will be posted on our website.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines and Policies in accordance with the NYSE corporate governance listing standards in effect as of the date of this Proxy Statement. Copies of our Corporate Governance Guidelines are available without charge from our website at www.suburbanpropane.com or upon written request directed to: Investor Relations, Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206.

NYSE Annual CEO Certification

The NYSE requires the Chief Executive Officer of each listed company to submit a certification indicating that the company is not in violation of the Corporate Governance listing standards of the NYSE on an annual basis. Mr. Dunn submitted his Annual CEO Certification for our 2011 fiscal year to the NYSE without qualification.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

This report by the Audit Committee is required by the rules of the Securities and Exchange Commission pursuant to paragraph (d)(3) of Regulation S-K Item 407. It shall not be deemed to be soliciting material, or to be filed with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Suburban specifically incorporates it by reference in such filing.

In accordance with the provisions of its written charter, the Audit Committee assists the Board of Supervisors in fulfilling its responsibility for oversight of (a) the integrity of Suburban's financial statements and internal control over financial reporting; (b) Suburban's compliance with applicable laws, regulations, and the code of conduct; (c) independence and qualifications of the independent registered public accountants; (d) the performance of the internal audit function and the independent registered public accountants; and (e) accounting complaints. Management of Suburban is responsible for the preparation, integrity and objectivity of Suburban's financial statements in accordance with generally accepted accounting principles and for establishing and maintaining a system of internal accounting and disclosure controls. PricewaterhouseCoopers LLP, Suburban's independent registered public accounting firm, audits the annual financial statements prepared by management, expresses an opinion as to whether those financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of Suburban in conformity with accounting principles generally accepted in the United States of America and discusses with the Audit Committee any issues they believe should be raised. The independent registered public accounting firm also annually audits the effectiveness of internal controls over financial reporting.

The Audit Committee has reviewed and discussed the audited consolidated financial statements set forth in Suburban's Annual Report on Form 10-K for the fiscal year ended September 24, 2011 with management. The Audit Committee also discussed with PricewaterhouseCoopers LLP those matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee received the written disclosures and letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with PricewaterhouseCoopers LLP the independence of that firm.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Supervisors that Suburban's audited financial statements be included in Suburban's Annual Report on Form 10-K for the fiscal year ended September 24, 2011, filed with the Securities and Exchange Commission.

Respectfully submitted by the members of the Audit Committee of the Board of Supervisors.

John D. Collins, Chairman

Harold R. Logan, Jr.

John H. Stookey

Dudley C. Mecum

Jane Swift

Table of Contents**PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table sets forth the aggregate fees for services related to fiscal years 2011 and 2010 provided by PricewaterhouseCoopers LLP, our independent registered public accounting firm.

	Fiscal 2011	Fiscal 2010
Audit Fees ^(a)	\$ 1,956,000	\$ 2,162,500
Audit-Related Fees ^(b)		
Tax Fees ^(c)	686,425	728,223
All Other Fees ^(d)	1,800	1,605

- (a) Audit Fees consist of professional services rendered for the integrated audit of our annual consolidated financial statements and our internal control over financial reporting, including reviews of our quarterly financial statements, as well as the issuance of consents in connection with other filings made with the Securities and Exchange Commission.
- (b) Audit-Related Fees consist of fees for services that are related to the performance of the integrated audit of our annual consolidated financial statements and our internal control over financial reporting and are not included in Audit Fees.
- (c) Tax Fees consist of fees for professional services related to tax reporting, tax compliance and transaction services assistance.
- (d) All Other Fees represent fees for the purchase of a license to an accounting research software tool.

The Audit Committee of the Board of Supervisors has adopted a formal policy concerning the approval of audit and non-audit services to be provided by the independent registered public accounting firm, PricewaterhouseCoopers LLP. The policy requires that all services PricewaterhouseCoopers LLP may provide to us, including audit services and permitted audit-related and non-audit services, be pre-approved by the Audit Committee. The Audit Committee pre-approved all audit and non-audit services provided by PricewaterhouseCoopers LLP during fiscal 2011 and fiscal 2010.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis explains our executive compensation philosophy, policies and practices with respect to the following executive officers of Suburban, which we refer to as the named executive officers : Mr. Dunn, our President and Chief Executive Officer; Mr. Stivala, our Chief Financial Officer; and the other three most highly compensated executive officers, Mr. Boyd, our Vice President of Field Operations; Mr. Wienberg, our Vice President of Operational Support and Analysis and Mr. Brinkworth, our Vice President of Product Supply.

Executive Compensation Philosophy and Components

The objectives of our executive compensation program are as follows:

The attraction and retention of talented executives who have the skills and experience required to achieve our goals; and

The alignment of the short-term and long-term interests of our executive officers with the short-term and long-term interests of our Unitholders.

We accomplish these objectives by providing our executives with compensation packages that combine various components that are specifically linked to either short-term or long-term performance measures. Therefore, our executive compensation packages are designed to achieve our overall goal of sustainable, profitable growth by rewarding our executive officers for behaviors that facilitate our achievement of this goal.

Table of Contents

The principal components of the compensation we provide to our named executive officers are as follows:

Base salary;

Cash incentives paid under a performance-based annual bonus plan;

Long-Term Incentive Plan awards; and

Awards of restricted units under the Restricted Unit Plans.

We align the short-term and long-term interests of our executive officers with the short-term and long-term interests of our Unitholders by:

Providing our executive officers with an annual incentive target that encourages them to achieve or exceed targeted financial results and operating performance for the fiscal year;

Providing a long-term incentive plan that encourages our executive officers to implement activities and practices conducive to sustainable, profitable growth; and

Providing our executive officers with restricted units in order to retain the services of the participating executive officers over a five-year period while simultaneously encouraging behaviors conducive to the long-term appreciation of our Common Units.

Establishing Executive Compensation

The Compensation Committee, which we hereafter refer to as the Committee, is responsible for overseeing our executive compensation program. In accordance with its charter, available on our website at www.suburbanpropane.com, the Committee ensures that the compensation packages provided to our executive officers are designed in accordance with our compensation philosophy. The Committee reviews and approves the compensation packages of our managing directors, assistant vice presidents, vice presidents and our named executive officers.

Annually, our Senior Vice President of Administration prepares a comprehensive analysis of each executive officer's past and current compensation to assist the Committee in the assessment and determination of executive compensation packages for the subsequent fiscal year. The Committee considers a number of factors in establishing the compensation packages for each executive officer, including, but not limited to, tenure, scope of responsibility and individual performance. The relative importance assigned to each of these factors by the Committee may differ from executive to executive. The performance of each of our executive officers is continually assessed by the Committee and by our highest-ranking executive officers and also factors into the decision-making process, particularly in relation to promotions and increases in base compensation. In addition, as part of the Committee's annual review of each executive officer's total compensation package, the Committee is provided with benchmarking data for comparison. The benchmarking data is just one of a number of factors considered by the Committee, but is not necessarily the most persuasive factor.

The benchmarking data provided to the Committee for the 2011 fiscal year was derived from the Mercer Human Resource Consulting, Inc. (Mercer) Benchmark Database containing information obtained from surveys of over 2,269 organizations and approximately 201 positions which may include similarly-sized national propane marketers. The Committee does not base its benchmarking solely on a peer group of other propane marketers. The use of the Mercer database provides a broad base of compensation benchmarking information for companies of a similar size to Suburban. The benchmarking information used by the Committee consisted of organizations included in the Mercer database that report median annual revenues of between \$1.4 billion and \$3.8 billion per year.

The Committee believes that using the Mercer database to evaluate total cash compensation opportunities is appropriate because of the proximity of Suburban's headquarters to New York City and the need to realistically compete for skilled executives in an environment shared by

numerous other enterprises that seek similarly skilled

Table of Contents

employees. The Committee chooses not to base its benchmarking on the compensation practices of other propane marketers due to the fact that the other, similarly-sized propane marketers compete for executives in vastly different economic environments.

Conversely, for the reasons set forth under the subheading "2003 Long-Term Incentive Plan" below, the Committee decided to include other propane marketers, structured as publicly traded partnerships, in the peer group it selected for measuring our performance for awards granted under the 2003 Long-Term Incentive Plan. Earning a payment under the 2003 Long-Term Incentive Plan is dependent upon the performance (referred to in the plan document as "total return to unitholders") of our Common Units relative to the unit performance of a peer group of eleven other master limited partnerships over a three-year measurement period.

In making their decisions regarding executive compensation packages for the coming fiscal year, the members of the Committee review the total cash compensation opportunities that were provided to our executive officers during the just completed fiscal year. Each executive officer's total cash compensation opportunity consists of base salary, an annual cash bonus, and Long-Term Incentive Plan awards. The Committee then informally compares each executive officer's total cash compensation opportunity to the total mean cash compensation opportunity for the parallel position in the Mercer database. By focusing on each executive officer's total cash compensation opportunity as a whole, instead of on single components of compensation such as base salary, when it met on November 9, 2010, the Committee created fiscal 2011 compensation packages for our executive officers that emphasized the performance-based components of compensation.

Role of Executive Officers and the Compensation Committee in the Compensation Process

The Committee establishes and enforces our general compensation philosophy in consultation with our President and Chief Executive Officer. The role of our President and Chief Executive Officer in the executive compensation process is to recommend individual pay adjustments for the executive officers, other than himself, to the Committee based on market conditions, our performance, and individual performance. With the assistance of our Senior Vice President of Administration, our President and Chief Executive Officer presents the Committee with information comparing each executive officer's compensation to the mean compensation figures provided in the Mercer database.

Suburban's sole use of the Mercer database was to provide the Committee with benchmarking data. Therefore, neither our President and Chief Executive Officer nor our Senior Vice President of Administration met with representatives from Mercer. The information provided by Mercer was derived from a proprietary database maintained by Mercer and, as such, there was no formal consultancy role played by them. The Committee believes that the Mercer benchmarking data, which is provided to the Committee by our Senior Vice President of Administration, can be used by the Committee as an objective benchmark on which decisions relative to executive compensation can be based. In the course of its deliberations, the Committee compares the objective data obtained from the Mercer database to the internal analyses prepared by our Senior Vice President of Administration.

Among other duties, the Committee has overall responsibility for:

Reviewing and approving compensation of our President and Chief Executive Officer, Chief Financial Officer and our other executive officers;

Reporting to the Board of Supervisors any and all decisions regarding compensation changes for our President and Chief Executive Officer, Chief Financial Officer and our other executive officers;

Evaluating and approving our annual cash bonus plan, long-term incentive plan, restricted unit plan, as well as all other executive compensation policies and programs;

Administering and interpreting the compensation plans that constitute each component of our executive officers' compensation packages; and

Engaging consultants, when appropriate, to provide independent, third-party advice on executive officer-related compensation.

Table of Contents**Allocation Among Components**

Under our compensation structure, the mix of base salary, cash bonus and long-term compensation provided to each executive officer varies depending on his or her position. The base salary for each executive officer is the only fixed component of compensation. All other cash compensation, including annual cash bonuses and long-term incentive compensation, is variable in nature as it is dependent upon achievement of certain performance measures. The following table summarizes the components as percentages of each named executive officer's total cash compensation opportunity in fiscal 2011 (as determined at the Committee's November 9, 2010 meeting).

	Base Salary	Cash Bonus Target	Long-Term Incentive
Michael J. Dunn, Jr.	40%	40%	20%
Michael A. Stivala	45%	36%	19%
Steven C. Boyd	45%	36%	19%
Mark Wienberg	45%	36%	19%
Douglas T. Brinkworth	45%	36%	19%

In allocating compensation among these components, we believe that the compensation of our senior-most levels of management—the levels of management having the greatest ability to influence our performance—should be at least 50% performance-based, while lower levels of management should receive a greater portion of their compensation in base salary. Additionally, our short-term and long-term incentive plans do not provide for minimum payments and are, thus, truly pay-for-performance compensation plans.

Internal Pay Equity

In determining the different compensation packages for each of our named executive officers, the Committee takes into consideration a number of factors, including the level of responsibility and influence that each named executive officer has over the affairs of Suburban, tenure with Suburban, individual performance and years of experience in his or her current position. The relative importance assigned to each of these factors by the Committee may differ from executive to executive. The Committee will also consider the existing level of equity ownership of each of our named executive officers when granting awards under our Restricted Unit Plans (see below for a description of these plans). As a result, different weights may be given to different components of compensation among each of our named executive officers. In addition, as discussed in the section above titled "Allocation Among Components," the compensation packages that we provide to our senior-most levels of management are, at a minimum, 50% performance-based. In order to align the interests of senior management with the interests of our Unitholders, we consider it requisite to accentuate the performance-based elements of the compensation packages that we provide to these individuals.

Base Salary

Base salaries for the named executive officers and all of our other executive officers, are reviewed and approved annually by the Committee. In order to determine base salary increases, the Committee's practice is to compare each executive officer's base salary with the corresponding mean salary provided in the Mercer database. The Committee usually determines base salary adjustments, which may be higher or lower than the comparative data, following an assessment of our overall results as well as each executive officer's position, performance and scope of responsibility, while at the same time considering each executive officer's previous total cash compensation opportunities. In accordance with this process, and the philosophy described above, the Committee did not adjust the base salaries of the named executive officers during fiscal 2011; instead, the Committee decided to increase each of the bonus target percentages of each of the named executive officers (with the exception of Mr. Dunn's, whose bonus target percentage was already at 100%). The Committee reasoned that this action would further align the interests of management with the interests of our Unitholders. In the event of a

Table of Contents

promotion, a significant increase in an executive officer's responsibilities, or a new hire, it is the Committee's practice to review that executive officer's base salary at that time and take such action as the Committee deems warranted.

The total base salary paid to each named executive officer in fiscal 2011 is reported in the column titled "Salary (\$)" in the Summary Compensation Table below.

As of the date this Proxy Statement was mailed to our Unitholders, the Committee has not adjusted the base salaries, nor the bonus target percentages, of the named executive officers for fiscal 2012.

Annual Cash Bonus Plan

Annual cash bonuses (which fall within the Securities and Exchange Commission's definition of "Non-Equity Incentive Plan Compensation" for the purposes of the Summary Compensation Table and otherwise) are earned by our executive officers in accordance with the objective performance provisions of our annual cash bonus plan.

The terms of our annual cash bonus plan provide for cash payments of a specified percentage (which, in fiscal 2011, ranged from 80% to 100%) of our named executive officers' annual base salaries (target cash bonus) if, for the fiscal year, actual cash bonus plan EBITDA equals Suburban's budgeted EBITDA. For purposes of calculating cash bonus plan EBITDA, the Committee customarily adjusts both budgeted and actual EBITDA (as defined in Item 6 in this annual report on Form 10-K) for various items considered to be non-recurring in nature; including, but not limited to, unrealized (non-cash) gains or losses on derivative instruments reported within cost of products sold in our statement of operations and gains or losses on the disposal of discontinued operations. Under the previous annual cash bonus plan, executive officers had the opportunity to earn between 90% and 110% of their target cash bonuses; however, beginning with fiscal 2011, executive officers have the opportunity to earn between 60% and 120% of their target cash bonuses, depending upon Suburban's EBITDA performance in the fiscal year. Under the existing annual cash bonus plan, no bonuses are earned if actual cash bonus plan EBITDA is less than 90% of budgeted cash bonus plan EBITDA, and cash bonuses cannot exceed 120% of the target cash bonus even if actual cash bonus plan EBITDA is more than 120% of budgeted cash bonus plan EBITDA.

Although our annual cash bonus plan is generally administered using the formula described above, the Committee may exercise its broad discretionary powers to decrease or increase the annual cash bonus paid to a particular executive officer, upon the recommendation of our President and Chief Executive Officer, or the executive officers as a group, when the Committee recognizes that an adjustment is warranted. During fiscal 2011, no such discretionary adjustments were made to the annual cash bonuses earned by our executives.

For fiscal 2011, our budgeted cash bonus plan EBITDA was \$195 million (Budgeted EBITDA). Our actual cash bonus plan EBITDA was such that each of our executive officers earned 60% of his or her target cash bonus. The following table provides the fiscal 2011 budgeted cash bonus plan EBITDA targets that were established at the November 9, 2010 Compensation Committee meeting:

Hypothetical Fiscal 2011 Cash Bonus Plan EBITDA Results (in Millions)	Hypothetical Fiscal 2011 Cash Bonus Plan EBITDA Expressed as a Percentage of Budgeted Cash Bonus Plan EBITDA	Target Bonus Percentage that would have been Earned if Actual Cash Bonus Plan EBITDA Equaled the Figure in the First Column
\$234.0	120%	120%
\$214.5	110%	110%
\$195.0⁽¹⁾	100%	100%
\$185.3	95%	90%
\$175.5	90%	60%

(1) Budgeted cash bonus plan EBITDA for fiscal 2011.

Table of Contents

The bonuses earned under the annual cash bonus plan for fiscal 2011 by each of our named executive officers are reported in the column titled Non-Equity Incentive Plan Compensation (\$) in the Summary Compensation Table below.

The fiscal 2011 target cash bonus percentages and target cash bonuses established for each named executive officer and the actual cash bonuses earned by each of them during fiscal 2011 are summarized as follows:

Name	2011 Target Cash Bonus as a % of Base Salary	2011 Target Cash Bonus	2011 Actual Cash Bonus Earned
Michael J. Dunn, Jr.	100%	\$475,000	\$285,000
Michael A. Stivala	80%	\$220,000	\$132,000
Steven C. Boyd	80%	\$216,000	\$129,600
Mark Wienberg	80%	\$200,000	\$120,000
Douglas T. Brinkworth	80%	\$196,000	\$117,600

For purposes of establishing the cash bonus targets for fiscal 2011, the Committee reviewed and approved our fiscal 2011 budgeted cash bonus plan EBITDA at its November 9, 2010 meeting. The budgeted cash bonus plan EBITDA is developed annually using a bottom-up process factoring in reasonable growth targets from the prior year's performance, while at the same time attempting to reach a balance between a target that is reasonably achievable, yet not assured. As described above, executive officers have the opportunity to earn between 60% and 120% of their target cash bonuses. Over the past three years, our actual cash bonus plan EBITDA was such that each of our executive officers earned 60%, 100%, and 110% of their respective target cash bonus for fiscal 2011, fiscal 2010 and fiscal 2009, respectively.

The named executive officers' target cash bonuses for fiscal 2012 are the same as those for fiscal 2011. Actual payments for fiscal 2012 under the annual cash bonus plan will depend upon the percentage of the budgeted cash bonus plan EBITDA for fiscal 2012 that is eventually achieved. The budgeted cash bonus plan EBITDA for fiscal 2012 was established using the same bottom-up process described above, which is designed to reach a balance between a target that is reasonably achievable, yet not assured.

2003 Long-Term Incentive Plan

At the beginning of fiscal 2003, we adopted the 2003 Long-Term Incentive Plan, which we refer to as the 2003 LTIP, a phantom unit plan, as a principal component of our executive compensation program. While the annual cash bonus plan is a pay-for-performance plan that focuses on our short-term financial goals, the 2003 LTIP is designed to motivate our executive officers to focus on long-term financial goals. Awards under the LTIP measure the market performance of our Common Units on the basis of total return to our Unitholders, which we refer to as TRU, during a three-year measurement period commencing on the first day of the fiscal year in which an unvested award was granted and compares our TRU to the TRU of each of the other members of a predetermined peer group, consisting solely of other master limited partnerships, approved by the Committee. The predetermined peer group may vary from year-to-year, but for all outstanding awards, includes AmeriGas Partners, L.P., Ferrellgas Partners, L.P. and Inergy, L.P. (the other propane master limited partnerships). Unvested awards are granted at the beginning of each fiscal year as a Committee-approved percentage of each executive officer's salary. Cash payouts, if any, are earned and paid at the end of the three-year measurement period.

The 2003 LTIP is designed to:

Align a portion of our executive officers' compensation opportunities with the long-term goals of our Unitholders;

Provide long-term compensation opportunities consistent with market practice;

Reward long-term value creation; and

Provide a retention incentive for our executive officers and other key employees.

Table of Contents

At the beginning of the three-year measurement period, each executive officer's unvested award of phantom units is calculated by dividing a predetermined percentage (i.e., 52%), which was established by the Committee upon adoption of the 2003 LTIP, of the executive officer's target cash bonus by the average of the closing prices of our Common Units for the twenty days preceding the beginning of the fiscal year. At the end of the three-year measurement period, depending on the quartile ranking within which our TRU falls relative to the other members of the peer group, our executive officers, as well as the other participants, all of whom are key employees, will receive a cash payout equal to:

The quantity of the participant's phantom units multiplied by the average of the closing prices of our Common Units for the twenty days preceding the conclusion of the three-year measurement period;

The quantity of the participant's phantom units multiplied by the sum of the distributions that would have inured to one of our outstanding Common Units during the three-year measurement period; and

The sum of the products of the two preceding calculations multiplied by: zero if our performance falls within the lowest quartile of the peer group; 50% if our performance falls within the second lowest quartile; 100% if our performance falls within the second highest quartile; and 125% if our performance falls within the top quartile.

The three-year measurement period of the fiscal 2009 award ended simultaneously with the conclusion of fiscal 2011. The TRU for the fiscal 2009 award fell within the second highest quartile. The following is a summary of the cash payouts related to the fiscal 2009 award earned by our named executive officers at the conclusion of fiscal 2011.

Michael J. Dunn, Jr.	\$ 350,057 ⁽¹⁾
Michael A. Stivala	\$ 160,609 ⁽¹⁾
Steven C. Boyd	\$ 160,609 ⁽¹⁾
Mark Wienberg	\$ 123,962 ⁽¹⁾
Douglas T. Brinkworth	\$ 139,008 ⁽¹⁾

- (1) The cash payouts related to our named executive officers' fiscal 2009 awards earned at the conclusion of fiscal 2011 is an additional disclosure that bears no meaningful relationship to the estimated probable outcomes reported in column (e) of the Summary Compensation Table below.

The following is a summary of the quantities of phantom units that signify the unvested awards granted to our named executive officers during fiscal 2011 and fiscal 2010 that will be used to calculate cash payments at the end of each award's respective three-year measurement period (i.e., at the end of fiscal 2013 for the fiscal 2011 award and at the end of fiscal 2012 for the fiscal 2010 award):

	Fiscal 2011 Award	Fiscal 2010 Award
Michael J. Dunn, Jr.	4,787	5,981
Michael A. Stivala	2,217	2,597
Steven C. Boyd	2,177	2,550
Mark Wienberg	2,016	2,203
Douglas T. Brinkworth	1,975	2,314

The members of the peer groups selected by the Committee for the fiscal 2011, fiscal 2010 and fiscal 2009 awards consist entirely of publicly-traded partnerships. The Committee decided upon these peer groups because all publicly-traded partnerships have similar tax attributes and can, as a result, distribute more cash than similarly-sized corporations generating similar revenues. At its November 10, 2009 meeting, the Committee reviewed the performance of each of the members of the peer group used for the fiscal 2009 and fiscal 2008 awards under the 2003 LTIP and, as a result, replaced two of the members of the peer group for the fiscal 2011 and fiscal 2010 awards under the 2003 LTIP. Among other factors, in reaching its decision to replace two members of the current peer group, the Committee considered distributions and price fluctuations.

Table of Contents

The following tables list, in alphabetical order, the names and ticker symbols of the peer group used to measure our performance during three-year measurement periods for the fiscal 2011, fiscal 2010 and fiscal 2009 awards under the 2003 LTIP:

Fiscal 2011 and Fiscal 2010 LTIP Award Peer Group

Peer Group Member Name	Ticker Symbol
AmeriGas Partners, L.P.	APU
Copano Energy, LLC	CPNO
Dorchester Minerals, L.P.	DMLP
Enbridge Energy Partners, L.P.	EEP
Energy Transfer Partners, L.P.	ETP
Ferrellgas Partners, L.P.	FGP
Global Partners, L.P.	GLP
Inergy, L.P.	NRGY
MarkWest Energy Partners, L.P.	MWE
Plains All American Pipeline, L.P.	PAA
Sunoco Logistics Partners, L.P.	SXL

Fiscal 2009 LTIP Awards Peer Group

Peer Group Member Name	Ticker Symbol
AmeriGas Partners, L.P.	APU
Copano Energy, LLC	CPNO
Crosstex Energy, L.P.	XTEX
Dorchester Minerals, L.P.	DMLP
Energy Transfer Partners, L.P.	ETP
Ferrellgas Partners, L.P.	FGP
Inergy, L.P.	NRGY
MarkWest Energy Partners, L.P.	MWE
Plains All American Pipeline, L.P.	PAA
Star Gas Partners, L.P.	SGU
Sunoco Logistics Partners, L.P.	SXL

On January 24, 2008, the Committee amended the retirement provisions of the plan document to provide that a retirement-eligible participant's outstanding awards vest as of the retirement-eligible date, but such awards remain subject to the same three-year measurement period for purposes of determining the eventual cash payout, if any, at the conclusion of the measurement period. This amendment applies to all outstanding awards under the 2003 LTIP.

The grant date values based on the probable outcomes of the awards under the 2003 LTIP granted during the 2011 fiscal year are reported in the column titled "Unit Awards (\$)" in the Summary Compensation Table below.

Following fiscal 2011, at its meeting on November 9, 2011, the Committee adopted the 2013 Long-Term Incentive Plan, which we refer to as the "2013 LTIP" and together with the 2003 LTIP, the "LTIPs", as a replacement for the 2003 LTIP, which will expire on September 30, 2012. The 2013 LTIP will become effective on October 1, 2012. The provisions of the 2013 LTIP are essentially identical to the provisions of the 2003 LTIP.

Table of Contents

The following is a summary of the quantities of phantom units that signify the unvested awards granted to our named executive officers under the 2003 LTIP during fiscal 2012, subsequent to the filing of our fiscal 2011 Annual Report on Form 10-K. These quantities will be used to calculate cash payments at the end of this award's three-year measurement period (i.e., at the end of fiscal 2014).

	Fiscal 2012 Award
Michael J. Dunn, Jr.	5,258
Michael A. Stivala	2,435
Steven C. Boyd	2,391
Mark Wienberg	2,214
Douglas T. Brinkworth	2,169

The peer group selected by the Committee to measure our performance during this award's three-year measurement period is identical to that which was selected for the fiscal 2011 and fiscal 2010 awards.

Restricted Unit Plans

2000 and 2009 Restricted Unit Plans (which we collectively refer to as the RUP)

We adopted the 2000 Restricted Unit Plan effective November 1, 2000. Upon adoption, this plan authorized the issuance of 487,805 Common Units to our executive officers, managers and other employees and to the members of our Board of Supervisors. On October 17, 2006, following approval by our Unitholders, we adopted amendments to this plan which, among other things, increased the number of Common Units authorized for issuance under this plan by 230,000 for a total of 717,805. As this plan terminated by its terms on October 31, 2010, no future awards can be made under this plan; however such termination will not affect the continued validity of any awards granted under the plan prior to its termination.

At our July 22, 2009 Tri-Annual Meeting, our Unitholders approved our adoption of the 2009 Restricted Unit Plan effective August 1, 2009. Upon adoption, this plan authorized the issuance of 1,200,000 Common Units to our executive officers, managers and other employees and to the members of our Board of Supervisors. The provisions of both restricted unit plans are substantially identical. At the conclusion of fiscal 2011, there remained 967,594 restricted units available under the RUP for future awards.

When the Committee authorizes an award of restricted units, the unvested units underlying an award do not provide the grantee with voting rights and do not receive distributions or accrue rights to distributions during the vesting period. Restricted unit awards normally vest as follows: 25% on each of the third and fourth anniversaries of the grant date and the remaining 50% on the fifth anniversary of the grant date. Unvested awards are subject to forfeiture in certain circumstances as defined in the applicable RUP document. Upon vesting, restricted units are automatically converted into our Common Units, with full voting rights and rights to receive distributions.

The RUP contains a retirement provision that provides for the vesting (six months and one day after the retirement date of qualifying participants) of unvested awards held by a retiring participant who meet all three of the following conditions on his or her retirement date:

The unvested award has been held by the grantee for at least six months;

The grantee is age 55 or older; and

The grantee has worked for us or one of our predecessors for at least 10 years.

All RUP awards are approved by the Committee. Because individual circumstances differ, the Committee has not adopted a formulaic approach to making RUP awards. Although the reasons for granting an award can vary, the objective of granting an award to a recipient is to retain the services of the recipient over the five-year vesting

Table of Contents

period while, at the same time providing the type of motivation that further aligns the long-term interests of the recipient with the long-term interests of our Unitholders. The reasons for which the Committee grants RUP awards include, but are not limited to, the following:

To attract skilled and capable candidates to fill vacant positions;

To retain the services of an employee;

To provide an adequate compensation package to accompany an internal promotion; and

To reward outstanding performance.

In determining the quantity of restricted units to grant to executive officers and other key employees, the Committee considers, without limitation:

The executive officer's scope of responsibility, performance and contribution to meeting our objectives;

The total cash compensation opportunity provided to the executive officer for whom the award is being considered;

The value of similar equity awards to executive officers of similarly sized enterprises; and

The current value of a similar quantity of outstanding Common Units.

In addition, in establishing the level of restricted units to grant to our executive officers, the Committee considers the existing level of outstanding unvested RUP awards held by our executive officers.

The Committee generally approves awards under the RUP at its first meeting each fiscal year following the availability of the financial results for the prior fiscal year; however, occasionally the Committee grants awards at other times of the year, particularly when the need arises to grant awards because of promotions and new hires.

The Committee has adopted a general policy with respect to the effective grant date of subsequent awards of restricted units under the RUP which states that:

Unless the Committee expressly determines otherwise for a particular award at the time of its approval of such award, the effective date of grant of all awards of restricted units under the RUP in a given calendar year will be the first business day in the month of December of that calendar year. If, at the discretion of the Committee, an award is expressed as a dollar amount, then such award will be converted into the number of restricted units, as of the effective date of grant, obtained by dividing the dollar amount of the award by the average of the closing prices, on the New York Stock Exchange, of one Common Unit of Suburban for the 20 trading days immediately prior to that effective date of grant.

During fiscal 2011, RUP awards were granted to the following named executive officers:

Grant Name	Date	Quantity
Michael J. Dunn, Jr.	December 1, 2010	9,060
Michael A. Stivala	December 1, 2010	5,436

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

Steven C. Boyd	December 1, 2010	5,436
Mark Wienberg	December 1, 2010	5,436
Douglas T. Brinkworth	December 1, 2010	5,436

In connection with Mr. Dunn's assumption of additional responsibilities as Suburban's Chief Executive Officer at the commencement of fiscal 2010, the Committee, at its November 10, 2009 meeting, granted Mr. Dunn a RUP award, as of December 1, 2010, equal in value to \$500,000. The Committee made this award because it believes that equity compensation is a critical component of executive compensation that helps to retain and motivate our executives and because the Committee wished to mitigate a perceived shortfall between the cash

Table of Contents

components of Mr. Dunn's compensation and the mean compensation for a comparable position reported in the Mercer database. This RUP award was converted into 9,060 restricted units on the grant date using the formula set forth above. The terms of Mr. Dunn's award are such that the entire award will vest on the last day of fiscal 2012 and at no time between the grant date and this vesting date will this award be subject to the vesting upon retirement provisions of the RUP described above. In determining the fiscal 2011 awards for Mr. Stivala, Mr. Boyd, Mr. Wienberg and Mr. Brinkworth, the Committee relied upon information provided by the Mercer database to conclude that these awards were necessary to remediate shortfalls perceived by the Committee in the cash compensation of these named executive officers as well as in recognition of their individual achievements.

The aggregate grant date fair values of RUP awards made during the 2011 fiscal year computed in accordance with accounting principles generally accepted in the United States of America are reported in the column titled "Unit Awards (\$)" in the Summary Compensation Table below.

During fiscal 2012, RUP awards were granted to the following named executive officers subsequent to the filing of our fiscal 2011 Annual Report on Form 10-K:

Grant Name	Date	Quantity
Michael J. Dunn, Jr.	December 1, 2011	8,000
Michael A. Stivala	December 1, 2011	6,378
Steven C. Boyd	December 1, 2011	6,378
Mark Wienberg	December 1, 2011	6,378
Douglas T. Brinkworth	December 1, 2011	6,378

Equity Holding Policy

Effective April 22, 2010, the Committee adopted an Equity Holding Policy which establishes guidelines for the level of Partnership equity holdings that members of the Board and our executives are expected to maintain. The Equity Holding Policy can be accessed through a link on Suburban's website at www.suburbanpropane.com under the "Investors" tab.

Suburban's equity holding requirements are as follows:

Position	Amount
Member of the Board of Supervisors	2 x Annual Fee
Chief Executive Officer	5 x Base Salary
President	5 x Base Salary
Chief Operating Officer	3 x Base Salary
Chief Financial Officer	3 x Base Salary
Executive Vice President	3 x Base Salary
Senior Vice President	2.5 x Base Salary
Vice President	1.5 x Base Salary
Assistant Vice President	1 x Base Salary
Managing Director	1 x Base Salary

As of the January 2, 2012 measurement date, all of our executive officers, including our named executive officers, were in compliance with Suburban's Equity Holding Policy.

Incentive Compensation Recoupment Policy

Upon recommendation by the Committee, the Board of Supervisors has adopted an Incentive Compensation Recoupment Policy which permits the Committee to seek the reimbursement from certain executives of Suburban and the Operating Partnership of incentive compensation (i.e., payments/awards pursuant to the annual cash bonus plan, the LTIPs and RUP) paid to those executives in connection with any fiscal year for which there

Table of Contents

is a significant restatement of the published financial statements of Suburban triggered by a material accounting error, which results in less favorable results than those originally reported by Suburban. Such reimbursement can be sought from executives even if they had no responsibility for the restatement. In addition to the foregoing, if the Committee determines that any fraud or intentional misconduct by an executive was a contributing factor to Suburban having to make a significant restatement, then the Committee is authorized to take appropriate action against such executive, including disciplinary action, up to, and including, termination, and requiring reimbursement of all, or any part, of the compensation paid to that executive in excess of that executive's base salary, including cancellation of any unvested restricted units. The Incentive Compensation Recoupment Policy is available on our website at www.suburbanpropane.com under the Investors tab.

Pension Plan

We sponsor a noncontributory defined benefit pension plan that was originally designed to cover all of our eligible employees who met certain criteria relative to age and length of service. Effective January 1, 1998, we amended the plan in order to provide for a cash balance format rather than the final average pay format that was in effect prior to January 1, 1998. The cash balance format is designed to evenly spread the growth of a participant's earned retirement benefit throughout his or her career rather than the final average pay format, under which a greater portion of a participant's benefits were earned toward the latter stages of his or her career. Effective January 1, 2000, we amended the plan to limit participation in this plan to existing participants and no longer admit new participants to the plan. On January 1, 2003, we amended the plan to cease future service and pay-based credits on behalf of the participants and, from that point on, participants' benefits have increased only due to interest credits.

Each of our named executive officers, with the exception of Mr. Stivala and Mr. Wienberg, participates in the plan. The changes in the actuarial value relative to each named executive officer's participation in the plan during fiscal 2011 is reported in the column titled "Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)" in the Summary Compensation Table below.

Deferred Compensation

All employees, including the named executive officers, who satisfy certain service requirements, are entitled to participate in our IRC Section 401(k) Plan, which we refer to as the 401(k) Plan, in which participants may defer a portion of their eligible cash compensation up to the limits established by law. We offer the 401(k) Plan to attract and retain talented employees by providing them with a tax-advantaged opportunity to save for retirement.

For fiscal 2011, all of our named executive officers participated in the 401(k) Plan. The benefits provided to our named executive officers under the 401(k) Plan are provided on the same basis as to our other exempt employees. Amounts deferred by our named executive officers under the 401(k) Plan during fiscal 2011 are included in the column titled "Salary (\$)" in the Summary Compensation Table below.

In order to be competitive with other employers, if certain performance criteria are met, we will match our employee-participants' contributions up to the lesser of 6% of their base salary or \$245,000, at a rate determined based on a performance-based scale. The following chart shows the performance target criteria that must be met for each level of matching contribution:

If We Meet This Percentage of Budgeted EBITDA ⁽¹⁾	The Participating Employee Will Receive this Matching Contribution for the Year
115% or higher	100%
100% to 114%	50%
90% to 99%	25%
Less than 90%	0%

(1) For additional information regarding the non-GAAP term "Budgeted EBITDA," refer to the explanation provided under the subheading "Annual Cash Bonus Plan" above.

Table of Contents

For fiscal 2011, our budgeted 401(k) Plan EBITDA was \$195.0 million. Based on actual fiscal 2011 401(k) Plan EBITDA results, each of our executive officers earned a matching contribution of 25%. As a result, we provided participants with a match equal to 25% of their calendar year 2011 contributions that did not exceed 6% of their total base pay up to a maximum base pay of \$245,000. The matching contributions made on behalf of our named executive officers for 2011 are reported in the column titled "All Other Compensation (\$)" in the Summary Compensation Table below.

Supplemental Executive Retirement Plan

In 1998, we adopted a non-qualified, unfunded supplemental retirement plan known as the Suburban Propane Company Supplemental Executive Retirement Plan, which we refer to as the "SERP". The purpose of the SERP was to provide certain of our executive officers with a level of retirement income from us, without regard to statutory maximums, including the IRC's limitation for defined benefit plans. In light of the conversion of the Pension Plan to a cash balance formula as described under the subheading "Pension Plan" above, the SERP was amended and restated effective January 1, 1998. The annual retirement benefit under the SERP represents the amount of annual benefits that the participants in the SERP would otherwise be eligible to receive, calculated using the same pay-based credits referenced in the "Pension Plan" section above, applied to the amount of annual compensation that exceeds the IRC's statutory maximums for defined benefit plans, which was \$200,000 in 2002. Effective January 1, 2003, the SERP was discontinued with a frozen benefit determined for the remaining participants.

At the conclusion of fiscal 2010, Mr. Dunn was the only remaining participant in the SERP. Due to the actuarial costs and administrative burdens associated with maintaining this plan for one participant, at its November 9, 2010 meeting, the Committee terminated the SERP and paid Mr. Dunn his accrued benefit of \$57,611 on December 1, 2010. Because Mr. Dunn received no above-market interest credits relative to the SERP during fiscal years 2010 and 2009, nothing related to Mr. Dunn's participation in the SERP is reported in the Summary Compensation Table below.

Other Benefits

As part of his total compensation package, each named executive officer is eligible to participate in all of our other employee benefit plans, such as the medical, dental, group life insurance and disability plans, on the same basis as other exempt employees. These benefit plans are offered to attract and retain talented employees by providing them with competitive benefits.

Other than to Mr. Dunn, in accordance with the terms of his letter agreement (described below in the section titled "Letter Agreement of Mr. Dunn"), there are no post-termination or other special rights provided to any named executive officer to participate in these benefit programs other than the right to participate in such plans for a fixed period of time following termination of employment, on the same basis as is provided to other exempt employees, as required by law.

The costs of all such benefits incurred on behalf of our named executive officers in fiscal 2011 are reported in the column titled "All Other Compensation (\$)" in the Summary Compensation Table below.

Table of Contents**Perquisites**

Perquisites represent a minor component of our executive officers' compensation. Each of the named executive officers is eligible for tax preparation services, a company-provided vehicle, and an annual physical. The following table summarizes both the value and the utilization of these perquisites by the named executive officers in fiscal 2011.

Name	Tax Preparation Services	Employer-Provided Vehicle	Physical
Michael J. Dunn, Jr.	\$ 7,700	\$ 16,302	\$ 1,300
Michael A. Stivala	\$ -0-	\$ 14,698	\$ -0-
Steven C. Boyd	\$ 7,200	\$ 7,221	\$ -0-
Mark Wienberg	\$ -0-	\$ 11,970	\$ 1,300
Douglas T. Brinkworth	\$ 5,100	\$ 10,851	\$ 1,300

Perquisite-related costs for fiscal 2011 are reported in the column titled "All Other Compensation (\$)" in the Summary Compensation Table below.

Impact of Accounting and Tax Treatments of Executive Compensation

As we are a partnership and not a corporation for federal income tax purposes, we are not subject to the limitations of IRC Section 162(m) with respect to tax deductible executive compensation. Accordingly, none of the compensation paid to our named executive officers is subject to a limitation as to tax deductibility. However, if such tax laws related to executive compensation change in the future, the Committee will consider the implication of such changes to us.

Although it is Suburban's practice to comply with the statutory and regulatory provisions of IRC Section 409A, on November 2, 2005, the Board of Supervisors approved an amendment to the Suburban Propane, L.P. Severance Protection Plan for Key Employees, which we refer to as the Severance Plan, to provide that if any payment under the Severance Plan subjects a participant to the 20% federal excise tax under IRC Section 409A, the payment will be grossed up to permit such participant to retain a net amount on an after-tax basis equal to what he or she would have received had the excise tax not been payable.

Letter Agreement of Mr. Dunn

Simultaneous with the commencement of fiscal 2010, Mr. Dunn's then existing employment agreement was terminated by mutual agreement and replaced with a letter agreement governing retirement and the implementation of a mutually agreed upon succession plan. The letter agreement between Mr. Dunn and us is summarized as follows:

Mr. Dunn will participate in our Severance Protection Plan (see below) at the 78-week participation level.

If on or after the last day of fiscal 2012, Mr. Dunn retires or leaves as a result of an agreed-upon succession plan, he will receive the following if he timely provides us with a release of all claims he might have against us at the time of his departure:

A payment equal to two years of base salary paid over a two year period.

Continuation of medical and dental benefits at no premium cost to him until attainment of age 65 (Mr. Dunn will be 63 at the conclusion of fiscal 2012).

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

Transfer of ownership of employer-provided vehicle to Mr. Dunn.

We agreed that a termination of Mr. Dunn's employment in connection with a succession plan would be deemed a retirement for the purposes of his benefits under the employee benefit plans in which he participates. Mr. Dunn

Table of Contents

also agreed to provide us with transition consultation services for a period not to exceed two years following his departure. Mr. Dunn will not be deemed to have retired or terminated his employment if he simply relinquishes the title and responsibilities of President but remains our Chief Executive Officer.

Severance Benefits

We believe that, in most cases, employees should be paid reasonable severance benefits. Therefore, it is the general policy of the Committee to provide executive officers and other key employees who are terminated by us without cause or who choose to terminate their employment with us for good reason with a severance payment equal to, at a minimum, one year's base salary, unless circumstances dictate otherwise. This policy was adopted because it may be difficult for former executive officers and other key employees to find comparable employment within a short period of time. However, depending upon individual facts and circumstances, particularly the severed employee's tenure with us, the Committee may make exceptions to this general policy.

A key employee is an employee who has attained a director level pay-grade or higher. Cause will be deemed to exist where the individual has been convicted of a crime involving moral turpitude, has stolen from us, has violated his or her non-competition or confidentiality obligations, or has been grossly negligent in fulfillment of his or her responsibilities. Good reason generally will exist where an executive officer's position or compensation has been decreased or where the employee has been required to relocate.

Change of Control

Our executive officers and other key employees have built Suburban into the successful enterprise that it is today; therefore, we believe that it is important to protect them in the event of a change of control. Further, it is our belief that the interests of our Unitholders will be best served if the interests of our executive officers are aligned with them, and that providing change of control benefits should eliminate, or at least reduce, the reluctance of our executive officers to pursue potential change of control transactions that may be in the best interests of our Unitholders. Additionally, we believe that the severance benefits provided to our executive officers and to our key employees are consistent with market practice and appropriate because these benefits are an inducement to accepting employment and because the executive officers have agreed to and are subject to non-competition and non-solicitation covenants for a period following termination of employment. Therefore, our executive officers and other key employees are provided with employment protection following a change of control, which we refer to as the Severance Protection Plan. During fiscal 2011, our Severance Protection Plan covered all executive officers, including the named executive officers.

The Severance Protection Plan provides for severance payments of either 65 or 78 weeks of base salary and target cash bonuses for such officers and key employees if within one year following a change of control their employment is terminated by us or our successor or they resign for Good Reason (as defined in the Severance Protection Plan). All named executive officers who participate in the Severance Protection Plan are eligible for 78 weeks of base salary and target bonuses. The cash components of any change of control benefits are paid in a lump sum.

In addition, upon a change of control, without regard to whether a participant's employment is terminated, all unvested awards granted under the RUP will vest immediately and become distributable to the participants and all outstanding, unvested awards under the LTIPs will vest immediately as if the three-year measurement period for each outstanding award concluded on the date the change of control occurred and our TRU was such that, in relation to the performance of the other members of the peer group, it fell within the top quartile.

For purposes of these benefits, a change of control is deemed to occur, in general, if:

An acquisition of our Common Units or voting equity interests by any person immediately after which such person beneficially owns more than 30% of the combined voting power of our then outstanding Common Units, unless such acquisition was made by (a) us or our subsidiaries, or any employee

Table of Contents

benefit plan maintained by us, the Operating Partnership or any of our subsidiaries, or (b) any person in a transaction where (A) the existing holders prior to the transaction own at least 50% of the voting power of the entity surviving the transaction and (B) none of the Unitholders other than Suburban, our subsidiaries, any employee benefit plan maintained by us, the Operating Partnership, or the surviving entity, or the existing beneficial owner of more than 25% of the outstanding Common Units owns more than 25% of the combined voting power of the surviving entity, which transaction we refer to as a Non-Control Transaction ; or

The consummation of (a) a merger, consolidation or reorganization involving Suburban other than a Non-Control Transaction; (b) a complete liquidation or dissolution of Suburban; or (c) the sale or other disposition of 40% or more of the gross fair market value of all the assets of Suburban to any person (other than a transfer to a subsidiary).

For additional information pertaining to severance payable to our named executive officers following a change of control-related termination, see the tables titled Potential Payments Upon Termination below.

This report by the Compensation Committee is required by the rules of the Securities and Exchange Commission pursuant to paragraph (e)(5) of Regulation S-K Item 407. It shall not be deemed to be soliciting material, or to be filed with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Suburban specifically incorporates it by reference in such filing.

Report of the Compensation Committee

The Compensation Committee has reviewed and discussed with management this Compensation Discussion and Analysis. Based on its review and discussions with management, the Committee recommended to the Board of Supervisors that this Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee:

John Hoyt Stookey, Chairman

John D. Collins

Harold R. Logan, Jr.

Dudley C. Mecum

Jane Swift

Table of Contents**ADDITIONAL INFORMATION REGARDING EXECUTIVE COMPENSATION****Summary Compensation Table for Fiscal 2011**

The following table sets forth certain information concerning the compensation of each named executive officer during the fiscal years ended September 24, 2011, September 25, 2010, and September 26, 2009:

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ^(d)	Unit Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$) ^(j)
Michael J. Dunn, Jr. President and Chief	2011	\$ 475,000		\$ 729,076	\$ 285,000	\$ 3,764	\$ 49,530	\$ 1,542,370
	2010	\$ 475,000		\$ 768,484	\$ 475,000	\$ 31,661	\$ 49,330	\$ 1,799,475
Executive Officer	2009	\$ 433,333		\$ 314,197	\$ 467,500	\$ 56,050	\$ 48,065	\$ 1,319,145
Michael A. Stivala Chief Financial Officer	2011	\$ 275,000		\$ 357,103	\$ 132,000		\$ 35,010	\$ 799,113
	2010	\$ 275,000		\$ 320,699	\$ 206,250		\$ 37,569	\$ 839,518
	2009	\$ 262,500		\$ 231,333	\$ 214,500		\$ 41,728	\$ 750,061
Steven C. Boyd Vice President of Field	2011	\$ 270,000		\$ 354,615	\$ 129,600	\$ 15,257	\$ 37,095	\$ 806,567
	2010	\$ 270,000		\$ 317,799	\$ 202,500	\$ 21,101	\$ 34,762	\$ 846,162
Operations	2009	\$ 260,000		\$ 190,660	\$ 214,500	\$ 53,577	\$ 39,811	\$ 758,548
Mark Wienberg Vice President of Operational Support and Analysis	2011	\$ 250,000		\$ 344,653	\$ 120,000		\$ 33,725	\$ 748,378
	2010	\$ 250,000		\$ 273,398	\$ 175,000		\$ 35,755	\$ 734,153
	2009	\$ 220,833		\$ 157,386	\$ 165,550		\$ 40,348	\$ 584,117
Douglas T. Brinkworth Vice President of Product	2011	\$ 245,000		\$ 342,155	\$ 117,600	\$ 10,245	\$ 39,156	\$ 754,156
	2010	\$ 245,000		\$ 303,237	\$ 183,750	\$ 12,959	\$ 41,767	\$ 786,713
Supply	2009	\$ 228,333		\$ 182,883	\$ 185,625	\$ 31,679	\$ 43,440	\$ 671,960

(1) Includes amounts deferred by named executive officers as contributions to the 401(k) Plan.

For more information on the relationship between salaries and other cash compensation (i.e., annual cash incentives and 2003 Long-Term Incentive Plan awards), refer to the subheading titled Allocation Among Components in the Compensation Discussion and Analysis above.

(2) The amounts reported in this column represent the aggregate grant date fair value of RUP awards made during fiscal years 2011, 2010 and 2009, as well as the value at the grant date of awards made in fiscal years 2011, 2010, and 2009 under the 2003 LTIP, based on the probable outcome with respect to satisfaction of the performance conditions. The specific details regarding these plans are provided in the preceding Compensation Discussion and Analysis under the subheadings Restricted Unit Plans and 2003 Long-Term Incentive Plan. The breakdown for each plan with respect to each named executive officer is as follows:

Edgar Filing: SUBURBAN PROPANE PARTNERS LP - Form DEF 14A

Plan Name	Mr. Dunn	Mr. Stivala	Mr. Boyd	Mr. Wienberg	Mr. Brinkworth
2011					
RUP	\$ 433,249	\$ 220,090	\$ 220,090	\$ 220,090	\$ 220,090
LTIP	295,827	137,013	134,525	124,563	122,065
Total	\$ 729,076	\$ 357,103	\$ 354,615	\$ 344,653	\$ 342,155
2010					
RUP	\$ 399,438	\$ 160,456	\$ 160,456	\$ 160,456	\$ 160,456
LTIP	369,046	160,243	157,343	112,942	142,781
Total	\$ 768,484	\$ 320,699	\$ 317,799	\$ 273,398	\$ 303,237
2009					
RUP	\$	\$ 87,177	\$ 46,504	\$ 58,115	\$ 58,115
LTIP	314,197	144,156	144,156	99,271	124,768
Total	\$ 314,197	\$ 231,333	\$ 190,660	\$ 157,386	\$ 182,883

Table of Contents

- (3) The amounts reported in this column represent each named executive officer's annual cash bonus earned in accordance with the performance measures discussed under the subheading "Annual Cash Bonus Plan" in the "Compensation Discussion and Analysis."
- (4) The amounts reported in this column represent each named executive officer's Cash Balance Plan earnings and for Mr. Dunn, SERP earnings for fiscal years 2010 and 2009. The SERP was discontinued and the balance paid during fiscal 2011; therefore, there are no 2011 SERP earnings reported in the table. Neither Mr. Stivala nor Mr. Wienberg participates in the Cash Balance Plan.
- (5) The amounts reported in this column consist of the following:

Type of Compensation	2011				
	Mr. Dunn	Mr. Stivala	Mr. Boyd	Mr. Wienberg	Mr. Brinkworth
401(k) Match	\$ 3,675	\$ 3,675	\$ 3,675	\$ 3,675	\$ 3,675
Value of Annual Physical Examination	1,300	N/A	N/A	1,300	1,300
Value of Partnership Provided Vehicle	16,302	14,698	7,221		