

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2019



United Parcel Service, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15451
(Commission File Number)

58-2480149
(IRS Employer
Identification No.)

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (404) 828-6000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class B common stock, par value \$0.01 per share	UPS	New York Stock Exchange
Floating-Rate Senior Notes Due 2020	UPS20A	New York Stock Exchange
1.625% Senior Notes Due 2025	UPS25	New York Stock Exchange
1% Senior Notes due 2028	UPS28	New York Stock Exchange
0.375% Senior Notes due 2023	UPS23A	New York Stock Exchange
1.500% Senior Notes due 2032	UPS32	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined by Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 12, 2019, United Parcel Service, Inc. (“UPS”) announced that Richard N. Peretz, UPS’s Senior Vice President, Chief Financial Officer and Treasurer, has notified UPS that he will retire from the Chief Financial Officer and Treasurer positions effective September 16, 2019. Mr. Peretz will remain employed with UPS through December 31, 2019 to assist with transition matters.

Also on that date, UPS appointed Brian Newman as Senior Vice President, Chief Financial Officer and Treasurer, effective September 16, 2019.

Mr. Newman, 50, has been employed by PepsiCo, a multinational food, snack, and beverage company, for 26 years in positions of increasing responsibility. He has served as PepsiCo’s Executive Vice President, Finance & Operations, Latin America since October 2017, with leadership responsibility for all finance and operations activity across the Latin America region. Prior to serving in that role he was Executive Vice President, Global Operations from August 2015 through September 2017, and Global Head of e-Commerce from October 2014.

In connection with his employment, UPS has entered into an employment offer letter with Mr. Newman (the “Offer Letter”). Pursuant to the Offer Letter, Mr. Newman will be entitled to an annual: (i) base salary of \$725,000; (ii) UPS Management Incentive Program award with a target of 130% of his base salary, which for 2019 will be prorated and payable in vested Class A common stock; (iii) UPS Long-Term Incentive Performance (“LTIP”) program award with a target award of 550% of his base salary; and (iv) UPS stock option grant on the same basis as other executive officers of UPS. The Offer Letter also provides that Mr. Newman will be entitled to: (i) a grant of UPS restricted stock units with a value of \$5,500,000, vesting in March 2020; (ii) a performance-based cash award with a target value of \$3,000,000, payable in equal installments in March 2021 and March 2022, with the actual payout based on the Company’s performance under the LTIP for periods ending December 31, 2020 and December 31, 2021, respectively; and (iii) a cash transition payment of \$600,000 to be made in March 2020. These amounts are subject to repayment on a prorated basis if Mr. Newman resigns without “good reason” or is terminated for “cause” within 36 months following his start date. Mr. Newman will also be entitled to participate in UPS benefit plans applicable to UPS’s other executive officers.

Mr. Newman also entered into a protective covenant agreement (the “Protective Covenant Agreement”), which protects UPS’s confidential information and includes noncompetition and nonsolicitation covenants. It also provides Mr. Newman with continued payment of his base salary for up to 24 months if his employment is terminated by UPS without “cause” within two years following his start date.

The foregoing description of the Offer Letter and the Protective Covenant Agreement is qualified in its entirety by reference to the full text of the Offer Letter and the Protective Covenant Agreement, copies of which are attached hereto as Exhibits 10.1 and 10.2 and incorporated by reference in this Item 5.02. Any capitalized terms not defined herein are defined in the Offer Letter and Protective Covenant Agreement.

Item 7.01 - Regulation FD Disclosure.

The press release issued on August 12, 2019 relating to the above matters is attached hereto as Exhibit 99.1 and incorporated by reference.

Item 9.01 - Financial Statements and Exhibits.

(d) Exhibits

10.1	Employment offer letter agreement between the Company and Brian Newman, dated August 7, 2019
10.2	Protective Covenant Agreement between UPS and Brian Newman, dated August 7, 2019
99.1	Press release issued on August 12, 2019
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

The information included in Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Exchange Act, except as may be expressly set forth by reference in any such filing.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 12, 2019

UNITED PARCEL SERVICE, INC.
By: /s/ NORMAN M. BROTHERS, JR.

Norman M. Brothers, Jr.

Senior Vice President, General Counsel and Corporate Secretary

August 7, 2019

Mr. Brian Newman

Dear Brian,

Since the earliest days of UPS, nearly 112 years ago, we've regarded our management team as partners. Our company's founder, Jim Casey, established a culture where we share ownership in the company, a responsibility to help one another and our communities, and a commitment to integrity and the values of UPS.

We are proud to offer you the opportunity to join our partnership. On behalf of UPS, I am pleased to formally extend to you the offer to the position of Chief Financial Officer. Your talents and experience should enable you to make a valuable contribution to our team and I am confident that you will find the opportunity rewarding and challenging.

This Offer Letter confirms the key terms of our offer of employment.

Compensation

- Your initial base salary will be \$60,417 per month (\$725,000 annually). Merit increases will follow UPS annual merit guidance and take effect with April payroll. Your start date will be September 16, 2019 and you will be eligible for your first merit increase in 2020. Your principal place of employment with UPS will be at the company's corporate headquarters in Atlanta, Georgia, subject to reasonable travel requirements. As the Chief Financial Officer, you will report only to the Chief Executive Officer of UPS (the "CEO").
- You will be eligible to participate each year of your employment in the UPS Management Incentive Program (MIP) in accordance with the terms of the MIP then in effect. The target value of your annual MIP Performance Incentive award will be 130% of your annualized base salary. The actual award will be determined by multiplying your target award value by a factor that is determined based upon company performance against annually defined measures as well as by an individual performance factor that is determined by the CEO.
- Currently, any earned MIP Performance Incentive award is paid one-third in electable cash and two-thirds in restricted performance units ("RPU") granted pursuant to the applicable UPS incentive compensation plan. MIP RPUs vest after one year and are paid in unrestricted (for purposes of this Offer Letter, "unrestricted" means freely transferable with no holding period or other restrictions on you, subject to UPS's Insider Trading Compliance Program Guidelines), fully vested UPS Class A common stock (net of applicable tax withholdings). However, your initial MIP award for 2019, pro-rated for the portion of 2019 that you are employed by UPS, will be delivered in March 2020, and paid entirely in unrestricted, fully vested UPS Class A common stock.
- As a UPS MIP participant, you will be eligible to receive annually a UPS MIP Ownership Incentive award. Under current program terms, your UPS MIP Ownership Incentive award is 1.50% of the value of your eligible UPS holdings (including outstanding and unvested MIP RPUs) up to a maximum of one month's base salary and is delivered in conjunction with MIP Performance Incentive awards in March of each year. Like the MIP Performance Incentive award, the UPS Ownership Incentive award is paid one-third in electable cash and two-thirds in RPUs. However, any UPS MIP Ownership Incentive award for 2019, which would be delivered in March 2020, will be paid entirely in unrestricted, fully vested UPS Class A common stock.

- You will be eligible to participate annually in the UPS Long-Term Incentive Performance award program (LTIP) in accordance with the terms of the LTIP then in effect. The LTIP provides for equity grants to senior UPS leaders and is focused on delivering long-term shareholder value. LTIP awards are made in RPU's that vest and convert to UPS Class A common stock three years after grant based on company performance over the period. Your target LTIP award level will be 550% of your annualized base salary. The actual award values will be determined by company performance measured against annually established three-year targets. Current metrics, which are subject to change, are Revenue Growth, Return On Invested Capital (ROIC) and Relative Total Shareholder Return (RTSR). LTIP awards are normally granted annually in March, and your first grant under the LTIP will occur in March, 2020; provided, however, that for purposes of such first grant, your target LTIP award level in March 2020 will be at least 550% of your annualized based salary at such time.
- You will be eligible to receive an annual non-qualified stock option grant pursuant to the applicable UPS incentive compensation plan. Your target stock option award value is 50% of your annualized salary and is generally awarded in March of each year, and your first grant of stock options will occur in March 2020. The stock options vest pro-rata over five years, with a ten-year maximum term and are subject to the terms of the incentive compensation plan and an award agreement. The number of options will be determined by dividing the total grant value by the Black-Scholes valuation of the options determined as of the date of grant.
- You will be eligible for participation in the UPS Deferred Compensation Plan. This plan allows deferral of up to 35% of your salary as well as the electable cash portion of UPS MIP awards in accordance with the limitations set forth in the terms and conditions of the plan.
- You will be eligible to participate in UPS's defined contribution retirement program, subject to the terms and conditions thereof then in effect. As presently structured, the program provides:
 - o A 50% company match on your contributions up to 6% of eligible compensation; and
 - o A service-based UPS Retirement Contribution which begins as 5% of eligible compensation, increasing after five years of service, and is fully vested after three years of service.
- You will be eligible for personal financial counseling services and tax return preparation reimbursement, within the limits established by UPS. The current annual limit for personal financial counseling and tax preparation services is \$15,000.

Benefits

- You will be eligible to participate in the UPS Flexible Benefits Plan in accordance with the terms and conditions thereof, including the following benefits:
 - o Healthcare (multiple plan options)
 - o Dental
 - o Vision Care
 - o AD&D Coverage
 - o Life Insurance (self, spouse, children)
 - o Critical Illness Insurance
 - o Healthcare Spending Account
 - o Child/Elder Care Spending Account

Information on the UPS Flexible Benefits Plan and enrollment will be provided separately to you.

- You will be eligible for 30 vacation days and 5 personal days per annum.
- The position requires you to be based in Atlanta. You will be eligible to participate in the UPS New Hire Homeowner Relocation Program ("Relocation Assistance"), including pre-move house-hunting expenses, temporary living expenses, home purchase expenses (e.g. fees), household goods moving expenses, and final moving expenses. The terms and conditions of the Relocation Assistance program will be separately provided to you.

Offer of Employment With UPS for Brian Newman

Consideration for Forfeited Compensation from Previous Employer

The following benefits (collectively “Transition Payments”) will be provided to you in consideration of the compensation you are forfeiting due to your termination of employment from your previous employer, and are subject to approval by the UPS Compensation Committee of the Board of Directors. The information below is intended to provide you a summary of each of these Transition Payments. The Restricted Stock Unit (RSU) and RPU awards will be made pursuant to (and subject to the terms and conditions of) the UPS 2018 Omnibus Incentive Compensation Plan and applicable award agreements. These agreements will contain vesting schedules and other terms and conditions of the awards which are not inconsistent with the terms set forth in this Offer Letter.

- You will receive a special one-time grant on your start date of RSUs valued at \$5,500,000 (for clarity, your start date will be the “date of grant”). The number of RSUs awarded will be calculated by dividing \$5,500,000 by the closing price of UPS Class A common stock on the grant date. This award will vest in March 2020, subject to your continued employment through the vesting date (however, if your employment is terminated by UPS without “Cause”, as defined in section 2.a. of the UPS Protective Covenant Agreement and attached hereto as Exhibit A, or due to death or disability, vesting will continue in accordance with the terms of the award such that, for the avoidance of doubt, you (or your estate, as the case may be) will become vested in this award in March 2020). Promptly following the vesting date, unrestricted, fully vested UPS Class A common stock will be issued to you (net of tax withholdings).
- In addition, you will receive a special one-time award on your start date with a target value of \$3,000,000 (the “Target Award”). The Target Award will be payable in cash in two tranches, subject to your continued employment by UPS through the applicable vesting date (however, if your employment is terminated by UPS without “Cause” or due to death or disability, vesting will continue in accordance with the terms of the award, and will be paid to you (or your estate, as the case may be) as set forth below):
 - The cash payable in the first tranche will be determined by multiplying one half the Target Award by the actual payout (expressed as a percent) under the company’s LTIP for the 2018 – 2020 LTIP performance period, and is expected to be certified and paid (less tax withholdings) in March 2021.
 - The cash payable in the second tranche will be determined by multiplying one half the Target Award by the actual payout (expressed as a percent) under the company’s LTIP for the 2019 – 2021 LTIP performance period, and is expected to be certified and paid (less tax withholdings) in March 2022.
- You will also receive a cash payment in the total amount of \$600,000 (less tax withholdings) in consideration of the annual cash bonus that you are forfeiting due to your termination of employment from your previous employer. You shall receive payment by March 15 2020, subject to your continued employment by UPS through that date (however, if your employment is terminated by UPS without “Cause” or due to death or disability, then you shall still be entitled to the cash payment on that date).

Additional Terms

1. You will be an “at-will” employee, which means either you or UPS may terminate your employment at any time and for any reason.
2. Your employment is contingent upon your relocation to the Atlanta metropolitan area no later than December 31, 2019 and your family’s relocation to the Atlanta metropolitan area no later than July 31, 2021.
3. If you are terminated for Cause or you resign from UPS without Good Reason within 36 months following your start date, you agree to repay within 30 days from your last day of employment a pro-rata amount of the total paid Transition Payments. (Cause is defined in section 2.a. of the UPS Protective Covenant

Agreement, and attached hereto as Exhibit A.) Good Reason means: (i) (A) a reduction in your base salary (as the same may be increased from time to time) other than as part of an across-the-board reduction applicable on the same basis to other senior executives or (B) a reduction in either of the target values of your MIP or LTIP; (ii) a material diminution in your title, role or responsibilities with UPS; (iii) the relocation of your principal place of employment to a location more than 25 miles from Atlanta, Georgia after your personal relocation to Atlanta; or (iv) breach by UPS of a material provision of this Offer Letter (other than an isolated, insubstantial, inadvertent breach that is remedied promptly upon notice provided by you to UPS); provided that no event shall constitute "Good Reason" unless (x) you provide UPS with written notice of your objection to such event within 30 days following such event, (y) such event is not corrected by UPS within 30 days following the company's receipt of such notice and (z) you resign from employment not more than 30 days following the expiration of the 30-day correction period.) You will be required to sign a separate repayment agreement before receiving these benefits. Pro rata amounts shall be calculated on a monthly basis. Upon the passing of each one (1) month period, the amount subject to repayment shall be reduced by one-thirty sixth (1/36). For example, if you resign without Good Reason after sixteen (16) months but before completion of seventeen (17), then you shall repay twenty thirty sixths (20 / 36) of the Transition Payments received by you prior to the date of such resignation.

4. If you are terminated for Cause or you resign from UPS without Good Reason within 36 months following your start date, you agree to repay within 30 days from your last day of employment the full amount of any Relocation Assistance you received. You will be required to sign a separate repayment agreement before receiving these benefits.
5. In the event you are obligated to reimburse UPS for Transition Payments or Relocation Assistance, then you expressly authorize UPS to deduct that amount from your paycheck, including but not limited to your final paycheck or any other compensation (including incentive compensation payments) to which you may be entitled at the conclusion of employment. Your signature below indicates your agreement to these repayment terms.
6. Your employment is contingent upon your signing the attached UPS Protective Covenant Agreement. This agreement protects the company's intellectual property, talent and competitive advantages while also meeting stockholder expectations governing executive compensation. You are encouraged to read this agreement carefully and make sure that you understand its terms. In summary, the restrictions set forth in the Agreement include:
 - A prohibition on disclosure of the company's confidential information;
 - A non-compete provision covering all domestic and worldwide geographic areas in which UPS does business in the transportation and logistics industries; and
 - A prohibition on recruiting or soliciting Company employees and customers.
7. Your signature below acknowledges and confirms that: (i) your execution, delivery and performance of this Offer Letter does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which you are a party or by which you are bound, and (ii) you are not a party to or bound by any employment agreement, non-competition or non-solicitation agreement or confidentiality agreement or any other similar agreement with any other person or entity besides UPS. This Offer Letter, once executed and delivered by the parties hereto, shall be a legally binding document (without the requirement of further ratification).
8. UPS employee benefit and incentive compensation plan and other program terms are referenced in this offer letter, e.g. 2018 UPS Omnibus Incentive Compensation Plan, UPS Flexible Benefits Plan, UPS Savings Plan, UPS Relocation Program. If there are any inconsistencies between this letter and the official terms and condition in the plan documents, the plan documents control.
9. Your employment is contingent on UPS's satisfaction with the results of a reasonable and customary background check, which we anticipate will be concluded by August 12, 2019.

10. We anticipate your start date with UPS to be September 16, 2019.

I look forward to working with you and expect you will find your partnership with UPS to be a rewarding and exciting experience. If you have any questions, please feel free to contact me.

Sincerely,

/s/ CHARLENE THOMAS

Charlene Thomas
UPS Chief Human Resources Officer

Offer of Employment With UPS for Brian Newman

Acceptance

I have read the offer of at-will employment UPS has presented to me in this Offer Letter. I understand and agree that if I choose to accept UPS's offer that my employment at UPS is and will remain "at-will" and that both UPS and I will have the right to terminate the employment relationship at any time and for any reason without prior notice. I also understand and agree that neither company policy, practice nor employee statements to me can alter the at-will status of my employment. My status as an at-will employee may be modified only by a written employment agreement so specifying and signed by an officer of UPS.

ACCEPTED BY:

/s/ BRIAN NEWMAN

(Signature, Brian Newman)

August 7, 2019

(Date)

Brian Newman

(Print Name)

Offer of Employment With UPS for Brian Newman

Exhibit A

UPS PROTECTIVE COVENANT AGREEMENT

I, Brian Newman, am voluntarily entering into this Protective Covenant Agreement (“Agreement”) with United Parcel Service, Inc. (“UPS” or “the Company”) on the date set forth below (the “Effective Date”).

1. **ACKNOWLEDGMENTS.**

(a) **Key Employee:** I acknowledge and agree that, by reason of my highly specialized skillset and the Company’s investment of time, training, money, trust, and exposure to Confidential Information, I am intimately involved in the planning and direction of the Company’s global business operations.

(b) **Consideration:**

(i) **Employment:** I acknowledge and agree that my execution of, and compliance with, this Agreement are material factors in the Company’s decision to hire me and to provide me with access to Confidential Information that is not provided to other employees of the Company, which constitutes good and valuable consideration for the covenants set forth in this Agreement.

(ii) **Separation Pay.** In further consideration for my obligations under this Agreement, the Company shall pay me Separation Pay under the following terms and conditions:

(1) In the event that my employment is terminated by the Company without Cause during the first two (2) years after the start date of my employment as set forth in my Offer Letter with UPS (the “Offer Letter”) dated as of the Effective Date (the “Start Date”), the Company shall pay me Separation Pay.

(2) In the event that my employment is terminated by the Company without Cause after I have been employed for two (2) years after the Start Date, the Company shall only be required to pay me Separation Pay in the event that the Company elects, at its sole discretion, to require that I be bound by the post-termination Covenant Not to Compete described in Paragraph 6 below. If the Company elects not to require that I be bound by the post-termination Covenant Not to Compete described in Paragraph 6 below, I understand that I will not be paid Separation Pay. For the sake of clarity, except as set forth in this Paragraph 1.(b)(ii)(2) of this Agreement, I acknowledge and agree that I will be bound by the post-termination Covenant Not to Compete described in Paragraph 6 below.

(c) **Potential Unfair Competition:** I acknowledge and agree that, as a result of my receipt of Confidential Information, my role at UPS, and my relationships with UPS customers and/or employees, I would have an unfair competitive advantage if I were to violate this Agreement.

(d) **No Undue Hardship:** I acknowledge and agree that, in the event that my employment with the Company terminates for any reason, I possess marketable skills and abilities that will enable me to find suitable employment without violating the covenants set forth in this Agreement.

(e) **Voluntary Execution:** I acknowledge and affirm that I am executing this Agreement voluntarily, that I have read this Agreement carefully, that I have had a full and reasonable opportunity to consider this Agreement (including actual consultation with legal counsel), and that I have not been pressured or in any way coerced, threatened or intimidated into signing this Agreement.

2. DEFINITIONS.

(a) "Cause" means a termination of my employment by the Company due to one or more of the following: the commission of any felony or commission of a misdemeanor involving theft or moral turpitude; and/or commission of any act or omission that constitutes gross neglect or willful misconduct (other than periods of illness) or misconduct with respect to my employment duties that results in economic harm to the Company; and/or violation of any of the Company's substance abuse, compliance or any other material written policies that may be applicable to me and that may be in effect at the time of the occurrence; and/or a material breach of any material provision of this Agreement or any other agreements or understanding in effect at the time of the breach, between me and the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Company or upon the instructions of the Chief Executive Officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company. I shall be provided a 15-day period to cure any of the events or occurrences described above, to the extent curable.

(b) "Company" means United Parcel Service, Inc., a Delaware Corporation with its principal place of business in Atlanta, Georgia, and all of its Affiliates (as defined in O.C.G.A. § 13-8-51(1)).

(c) "Confidential Information" means all information regarding the Company, its activities, businesses or customers which I learned as a result of my employment, that is valuable to the Company and that is not generally disclosed by practice or authority to persons not employed or otherwise engaged by the Company, but that does not rise to the level of a Trade Secret. "Confidential Information" shall include, but is not limited to, financial plans and data; legal affairs; management planning information; business plans; acquisition plans; operational methods and technology; market studies; marketing plans or strategies; product development techniques or plans; customer lists; details of customer contracts; current and anticipated customer requirements and specifications; customer pricing and profitability data; past, current and planned research and development; employee-related information and new personnel acquisition plans. "Confidential Information" shall not include information that is or becomes generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Company. However, although certain information may be generally known in the relevant industry, the fact that the Company uses such information may not be so known and in such instance the information would compromise Confidential Information. This definition shall not limit any definition of "confidential information" or any equivalent term under applicable state or federal law.

(d) "Protected Customers" means customers or actively sought potential customers with whom I had material contact, which shall include customers or actively sought potential customers (i) who I dealt with on behalf of the Company; (ii) whose dealings with the Company are or were coordinated or supervised by me; or (iii) about whom I obtained Confidential Information as a result of my employment with the Company.

(e) "Protected Employee" means an employee of the Company who is employed by the Company at the time of any solicitation or attempted solicitation by me.

(f) "Restricted Competitors" means the companies and/or organizations listed on the document entitled "List Of Restricted Competitors" provided to me separately by the Company, and incorporated herein by reference.

(g) "Restricted Period" means during my employment with UPS and for a period of two (2) years after my employment ends for any reason.

(h) "Separation Pay" for purposes of this Agreement means (i) an amount equal to two (2) years of my monthly base salary in effect at the time of my termination of employment, to be paid in accordance with the Company's normal payroll practices, less all applicable federal, state and local taxes and other required withholdings. I understand and agree, however, that the Company shall only be required to continue to pay me the monthly salary portion of my Separation Pay, subject to all applicable tax withholdings, until the earlier of (A) twenty-four (24) months following the termination of my employment, or (B) I accept a position (whether as an employee or otherwise) with another entity, or (C) I become qualified for disability payments. I further understand that I will not be eligible to continue to accrue additional benefits and/or additional vesting rights while receiving Separation Pay outside of those provided (x) by the plan documents governing such benefits or (y) the Offer Letter.

(i) "Trade Secret" means all of the Company's information that I learned about as a result of my employment, without regard to form, including, but not limited to, technical or nontechnical data, a formula, a

pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, distribution lists or a list of actual or potential customers, advertisers or suppliers, that (i) derives economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. This definition shall not limit any definition of "trade secrets" or any equivalent term under applicable law.

3. NON-DISCLOSURE AND PROHIBITION AGAINST USE OF CONFIDENTIAL INFORMATION AND TRADE SECRETS.

I agree that I will not, directly or indirectly, reveal, divulge, or disclose any Confidential Information or Trade Secrets to any Person not expressly authorized by the Company to receive such information. I further agree that I will not, directly or indirectly, use or make use of any Confidential Information or Trade Secrets in connection with any business activity other than business activity that I am pursuing on behalf of the Company. I acknowledge and agree that this Agreement is not intended to, and does not, alter either the Company's rights or my obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices. I also understand that nothing contained in this Agreement limits my ability to communicate with any federal, state or local governmental agency or commission ("Government Agencies") or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies in connection with any charge or complaint, whether filed by me, on my behalf, or by any other individual. I additionally understand and agree that if I make a confidential disclosure of a Company Trade Secret (as defined in 18 U.S.C. § 1839) to a government official or an attorney for the sole purpose of reporting or investigating a suspected violation of law, or in a court filing under seal, I shall not be held liable under this Agreement or under any federal or state trade secret law for such a disclosure.

4. NON-SOLICITATION OF PROTECTED EMPLOYEES.

During the Restricted Period, I will not, without the prior written consent of the Company, directly or indirectly, solicit or induce or attempt to solicit or induce any Protected Employee to terminate his/her employment relationship with the Company or to enter into employment with me or any other person or entity.

5. NON-SOLICITATION OF PROTECTED CUSTOMERS.

During the Restricted Period, I will not, without the prior written consent of the Company, directly or indirectly, solicit, divert, take away or attempt to solicit, divert or take away a Protected Customer for purposes of providing products and services that are competitive with those provided by the Company.

6. COVENANT NOT TO COMPETE.

During the Restricted Period, I will not, without the prior written consent of the Company, (a) work for a Restricted Competitor; (b) provide advice or consulting services to a Restricted Competitor; or (c) otherwise provide services to a Restricted Competitor that are similar to those services that I provided to the Company and that are competitive with the transportation, delivery or logistics services provided by the Company during my employment. I understand and agree that this non-compete provision is limited to the geographic area where the Company did business during my employment.

7. ENFORCEMENT OF PROTECTIVE COVENANTS.

I acknowledge and agree that the covenants in Paragraphs 3-6 ("Protective Covenants") are necessary to protect the Company's legitimate business interests. In the event that I breach, or threaten to breach, the Protective Covenants, I agree that the Company shall have the right and remedy to: (a) enjoin me, preliminarily and permanently (without the necessity of posting bond), from violating or threatening to violate the Protective Covenants because any breach or threatened breach of the Protective Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy; (b) require me to account for and pay over to the Company all compensation, profits, monies, or other benefits derived or received by me as the result of any breach of the Protective Covenants; and (c) require me to pay the reasonable attorneys' fees and costs incurred by the Company in enforcing the Protective Covenants.

8. SEVERABILITY / REFORMATION.

I acknowledge and agree that the Protective Covenants are reasonable in time, scope and all other respects and that they will be considered and construed as separate and independent covenants. Should any part or provision of any of the Protective Covenants be held invalid, void or unenforceable in any court of competent jurisdiction, I understand and agree that such invalidity, voidness or unenforceability does not invalidate, void or otherwise render unenforceable any other part or provision of this Agreement. I further agree that, in the event any court of competent jurisdiction finds any of the Protective Covenants to be invalid or unenforceable (in whole or in part), the invalid or unreasonable term must be modified or redefined, or a new enforceable term provided, so that the Protective Covenants are enforceable to the fullest extent permitted by law.

9. TOLLING DURING LITIGATION.

I understand and agree that if I violate any of the Protective Covenants, the period of restriction applicable to each obligation violated will not run during any litigation over such violation, provided that such litigation was initiated during the period of the restriction.

10. RETURN OF MATERIALS.

Immediately following the termination of my employment for any reason or upon request from the Company at any other time, I agree to return all materials, documents, and/or information in my possession or control relating to the Company without retaining any copies in either electronic or hard copy form. I also agree that following my termination for any reason, or upon request from the Company, I will return all materials, documents, and/or information that I received or created in connection with my work as a Key Employee, including but not limited to Confidential Information and Trade Secrets. Such documents, materials and information shall include, without limitation, documents, materials, equipment, keys, credit cards, financial information, correspondence, computer equipment and data, and other documents and things belonging to the Company, including but not limited to Confidential Information and Trade Secrets.

11. AMENDMENT / ASSIGNMENT.

I understand and agree that this Agreement cannot be amended or modified unless such amendment or modification is made in writing and signed by me and a duly authorized representative of the Company. I recognize that this Agreement is for personal services to be performed by me and, as a result, may not be assigned by me to any other Person. I further understand that the Company may assign this Agreement as required by the needs of the business.

12. GOVERNING LAW AND JURISDICTION.

I agree that, without regard to conflict of laws principles, the laws of the state of Georgia govern this Agreement in all respects. I further agree that the federal or state courts of Georgia have exclusive jurisdiction over any dispute relating to this Agreement and I specifically consent to personal jurisdiction in such courts, even if I no longer reside in Georgia at the time of any dispute arising out of or involving this Agreement.

13. WAIVER.

I acknowledge that any waiver by the Company of any breach of this Agreement by me shall not be effective unless confirmed in writing, and that no such waiver shall operate or be construed as a waiver of the same breach or another breach on a subsequent occasion.

14. AT-WILL EMPLOYMENT.

I understand that this Agreement does not create a contract of employment and that my employment relationship with the Company remains at-will.

15. DISCLOSURE OF AGREEMENT.

In the event that I leave the Company for any reason, I agree to disclose the existence and terms of this Agreement to any prospective employer, partner, co-venturer, investor or lender prior to entering into an employment, partnership or other business relationship with such prospective employer, partner, co-venturer, investor or lender.

16. ENTIRE AGREEMENT.

This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against me or the Company. There have been no offers or inducements regarding the making of this Agreement except as set out herein and the Offer Letter. This Agreement and the Offer Letter constitutes the entire agreement and understanding between me and the Company relating to the subjects described in this Agreement. For the sake of clarity, the document entitled "List Of Restricted Competitors" referenced above in Paragraph 2.(f) is incorporated herein by reference.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together will constitute the same instrument. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement. A facsimile or scanned (e.g., .PDF, .GIF, etc.) signature shall be deemed to be an original.

Executed this 8th day of August, 2019

/s/ BRIAN NEWMAN

Brian Newman

Executed this 8th day of August, 2019.

/s/ CHARLENE THOMAS

UNITED PARCEL SERVICE, INC.

By: Charlene Thomas

For Immediate Release

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UPS ANNOUNCES CFO SUCCESSION PLAN

Richard Peretz to Retire and Brian Newman Appointed CFO

ATLANTA, August 12, 2019 - UPS (NYSE:UPS) today announced Richard Peretz, UPS Chief Financial Officer, 57 plans to retire. Brian Newman, 50, currently Executive Vice President, Finance and Operations, Latin America for PepsiCo, is appointed UPS Chief Financial Officer, effective September 16, 2019. Newman will join the UPS Management Committee, the senior-most leadership team responsible for management of the company. Peretz will remain with the company through December 2019 to assist Newman to ensure a smooth transition period.

Newman is a proven senior corporate leader with extensive finance, operations, corporate strategy and information technology experience. He served in positions of increasing responsibility at PepsiCo over 26 years and has worked in Asia, Europe, Russia and the U.S. in various corporate, regional and sector assignments. He began his career in investment banking prior to joining PepsiCo. In his current role, Newman has leadership responsibility for all finance and operations activity across the Latin America region.

"I am very pleased to welcome Brian to UPS's senior management team," said David Abney, UPS Chairman and CEO. "Brian's deep finance knowledge and broad cross-functional experience will be a great asset as we continue our Transformation. He will contribute to our drive for improved growth and operating performance, and he will support our strategies focused on the long term success of the company."

Richard Peretz was appointed UPS CFO in 2015 and served in numerous roles throughout his 38 year career with UPS.

"On behalf of the company and the entire Board of Directors, I thank Richard for his commitment and substantial contributions to UPS," said Abney. "Richard's leadership and guidance helped the company achieve strong financial and operational performance, and have well positioned the company for the future. I am pleased that Richard will help facilitate a smooth leadership transition."

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"I am proud to have been part of such a great company and to have participated in UPS's extraordinary growth during my years here," said Peretz. "I am confident in the management team and appreciative of all the opportunities I have been given throughout my career at UPS."

Peretz joined UPS in 1981. He held a series of finance leadership positions of increasing responsibility, including district controller supporting UPS's expansion into the Americas, and he was a key member of the team responsible for UPS's IPO in 1999. Peretz was named Chief Financial Officer of International in 2003, and promoted to Corporate Finance Vice President in 2007, where he oversaw a broad range of finance staff areas. He was named Corporate Controller in 2013, and expanded his role to include Corporate Treasurer in 2014.

Editor's Note: biographies and photos are available on the UPS Pressroom at: <http://www.pressroom.ups.com>.

About UPS

UPS (NYSE: UPS) is a global leader in logistics, offering a broad range of solutions including transporting packages and freight; facilitating international trade, and deploying advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, UPS serves more than 220 countries and territories worldwide. UPS was awarded [America's Best Customer Service](#) company for Shipping and Delivery services by Newsweek magazine; Forbes [Most Valuable Brand in Transportation](#); and top rankings on the [JUST 100](#) list for social responsibility, the Dow Jones Sustainability World Index, and the Harris Poll Reputation Quotient, among other prestigious rankings and awards. The company can be found on the web at ups.com or pressroom.ups.com and its corporate blog can be found at longitudes.ups.com. The company's sustainability eNewsletter, **UPS Horizons**, can be found at ups.com/sustainabilitynewsletter. To get UPS news direct, follow [@UPS_News](#) on Twitter. To ship with UPS, visit ups.com/ship.

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