

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): March 26, 2020



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

Delaware  
(State or other Jurisdiction  
of Incorporation)  
55 Glenlake Parkway N.E.,  
Atlanta, Georgia  
(Address of Principal Executive Offices)

001-15451  
(Commission File Number)

58-2480149  
(IRS Employer  
Identification No.)

30328  
(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 in 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 to 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 March 26, 2020, United Parcel Service, Inc. (“UPS”) entered into an agreement (the “Agreement”) with Richard N. Peretz, UPS’s retired chief financial officer. The Agreement protects UPS’s confidential information and includes customary noncompetition and nonsolicitation covenants, and a general release in favor of UPS. The Agreement provides for a payment to Mr. Peretz of \$300,000.

The foregoing description of the Agreement is qualified in its entirety by reference to the full text of the Agreement, a copy of which is attached hereto as Exhibit 10.1.

**Item 9.01 - Financial Statements and Exhibits.**

(d) Exhibits

10.1 [Release and Protective Covenant Agreement between UPS and Richard N. Peretz, dated March 26, 2020.](#)

104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

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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: March 27, 2020

UNITED PARCEL SERVICE, INC.  
By: /s/ Norman M. Brothers, Jr.  
Name: Norman M. Brothers, Jr.  
Title: Senior Vice President, General Counsel and Corporate Secretary

**RELEASE AND PROTECTIVE COVENANT AGREEMENT**

This Release and Protective Covenant Agreement (the "Agreement") is entered into by and between **RICHARD N. PERETZ** ("Executive") and United Parcel Service, Inc. ("UPS" or the "Company"). Executive and UPS are collectively referred to herein as the "Parties."

WHEREAS, Executive has retired from the Company; and

WHEREAS, Executive and the Company wish to memorialize in writing the terms upon which Executive shall receive a Release Payment.

THEREFORE, Executive and the Company agree as follows:

1. **Date of Retirement.** Executive's employment with the Company and all affiliated companies ended effective as of February 28, 2020 (the "Retirement Date"). The end of Executive's employment constituted a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended, and the official guidance thereunder ("Section 409A") as of the Retirement Date.

2. **Release Payment.** In exchange for Executive's timely execution and non-revocation of this Agreement, Executive shall receive \$300,000, subject to all applicable tax withholdings (the "Release Payment"). The Release Payment shall be paid in a single lump sum on the Company's first regular payroll date which is on or immediately follows the thirtieth (30th) day following the date this Agreement is executed (the "Effective Date"). Other than the Release Payment and other benefits and payments specified in this Agreement, the Company shall have no obligation to pay Executive any further compensation or remuneration, including but not limited to base salary, commissions, bonuses, or reimbursement for business expenses.

3. **Executive Benefits Upon Separation.** Executive remains entitled to the following employee benefits regardless of whether Executive signs this Agreement:

a. **Group Health Insurance Coverage.** In accordance with the terms of the applicable plans, Executive may elect to continue group health insurance coverage(s) at Executive's own expense pursuant to COBRA and in accordance with the group health insurance plan.

b. **Incentive Compensation.** The term of exercise and other conditions of any stock options, restricted stock units, or other forms of incentive compensation previously issued to Executive by the Company shall be governed by the terms of the applicable incentive plan document and any applicable incentive grant agreement(s). The conditions of any bonus program in which Executive is a participant as of the Effective Date shall be governed by the terms of the applicable bonus program.

c. **Indemnification Right.** The Company shall indemnify Executive and hold him harmless for acts or decisions made by him in good faith while performing services for the Company to the extent provided by its organizational and governance documents and law, including any rights to insurance benefits under any Directors & Officers liability insurance policy maintained by the Company.

d. **Other Benefits.** Except as otherwise expressly stated herein, or provided in connection with Executive's retirement from the Company, or as otherwise required by law, as of the Retirement Date Executive ceased participation in all employee benefits, plans, policies and practices provided by the Company.

4. **Continuing Duties.**

a. **Post-Retirement Transition.** From time to time as may be necessary, Executive agrees to cooperate in good faith with the Company regarding reasonable transitional assistance that may be requested by the Company, including but not limited to (i) answering questions about matters relating to the business of the Company or its affiliates as to which Executive has knowledge, and (ii) forwarding to an appropriate person designated by the Company any email, voicemail message or other communication received by Executive after the Retirement Date

that relates to the Company, its affiliates, or their respective businesses. The Company agrees to make reasonable efforts to minimize the burden on Executive with regard to the foregoing transitional activities, including scheduling telephone calls and meetings at times and locations that are reasonably convenient for Executive.

b. **Cooperation.** As further consideration for the covenants set forth herein, Executive hereby agrees to reasonably cooperate in good faith with any lawyer, law firm, or consultant that the Company designates with respect to any litigation, deposition, hearing, arbitration, inquiry, investigation or other proceeding, in any jurisdiction arising out of or relating to matters of which Executive was involved prior to the termination of his employment with the Company or which Executive gained knowledge of during his employment with the Company (including, but not limited to, support of the Company's, or that of any of its affiliates', position in defending any general liability-related lawsuits, employment-related lawsuits or claims concerning which Executive has knowledge, or audits, investigations, lawsuits, complaints or proceedings by government entities of state or federal law compliance) where the legal or financial interests of the Company or any of its affiliates are at material issue. Executive further covenants that, except with respect to an investigation or proceeding conducted by a governmental entity or where prohibited by law, Executive will (i) contact the Company as soon as reasonably practicable, but in no event longer than seventy two (72) hours, in the event that Executive is served with or notified of any subpoena, notice or other instruction directing Executive to appear, or produce documents or other information, in any legal proceeding involving the Company or any of its affiliates, and (ii) will make no such appearance or disclosure, unless required by law, until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such appearance or disclosure. The Company shall timely reimburse Executive for reasonable travel expenses and other reasonable out-of-pocket expenses associated with Executive's compliance with the obligations in this paragraph. The Company will exercise its rights in good faith under this Section 4(b) so as not to unreasonably interfere with Executive's professional activities.

5. **Release by Executive.**

a. In consideration of Executive's Release Payment, Executive hereby fully and completely releases, acquits and forever discharges the Company, its affiliates and related entities, and each of their respective current and former officers, directors, shareholders, managers, members, partners, employees, agents, employee benefit plans and fiduciaries, insurers, attorneys, agents, trustees, professional employer organizations, successors and assigns (each a "Released Party," and collectively, the "Released Parties"), collectively, separately, and severally, of and from any and all claims, demands, damages, causes of action, debts, liabilities, controversies, judgments, and suits of every kind and nature whatsoever, known or unknown, which Executive has had, now has, or may have against the Released Parties (or any of them) from the beginning of time through the date Executive signs this Agreement, with the exception of any claims that cannot legally be waived by private agreement (the claims released in this Agreement are collectively

referred to as the “Released Claims”). The Released Claims include: (i) all claims arising under any federal, state or local statute or ordinance, constitutional provision, public policy or common law, including all claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (the “ADEA”), the Equal Pay Act, the Civil Rights Act of 1866, the Employee Retirement Income Security Act, COBRA, the Americans with Disabilities Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Georgia Equal Pay Act, the Georgia Prohibition of Age Discrimination in Employment Act, and the Georgia Equal Employment for People with Disabilities Code, all as amended; (ii) all claims arising under discrimination laws, whistleblower laws and laws relating to violation of public policy, retaliation, or interference with legal rights; (iii) all claims for compensation of any type whatsoever, including but not limited to claims for wages, bonuses, commissions, incentive compensation, equity, vacation, PTO and severance; (iv) all claims arising under tort, contract and/or quasi-contract law; (v) all claims for monetary or equitable relief, including but not limited to attorneys’ fees, back pay, front pay, reinstatement, experts’ fees, medical fees or expenses, costs and disbursements; and (vi) all claims, counterclaims, demands, debts, actions, causes of action, suits, expenses, costs, attorneys’ fees, accountants’ fees, damages, indemnities, obligations and/or liabilities of any nature whatsoever, whether known or unknown, in law or in equity, which are related to, or directly or indirectly arise from, the assessment against, or any other application or possible application to, Executive of any penalties or additional tax under Section 409A, related in any way to the payments and benefits provided herein. Executive hereby waives any right to seek or recover any individual relief (including any money damages, reinstatement, or other relief) in connection with any of the Released Claims through any charge, complaint, lawsuit, or other proceeding, whether commenced or maintained by Executive or by any other person or entity, with the exception of any right to seek an award pursuant to Section 21F of the Securities Exchange Act of 1934.

b. Release of ADEA Claims. The Released Claims include any claims Executive may have against any of the Released Parties under the ADEA. Executive has twenty one (21) calendar days to consider this Agreement and decide whether to sign it (the “Consideration Period”). If Executive decides to sign this Agreement before the expiration of the Consideration Period, which is solely Executive’s choice, Executive represents that his decision is knowing and voluntary. Executive agrees that any revisions made to this Agreement after it was initially delivered to Executive, whether material or immaterial, do not restart the Consideration Period. Company advises Executive to consult with an attorney prior to signing this Agreement.

c. Right to Revoke. Executive may revoke this Agreement within seven (7) calendar days after Executive has signed it. This Agreement will not become effective or enforceable until the eighth (8th) calendar day after Executive has signed this Agreement without having revoked it (the “Effective Date”). If Executive chooses to revoke this Agreement, Executive must notify the Company in writing addressed to the Company’s designated agent for this purpose:

Norman M. Brothers Jr.  
Senior Vice President, General Counsel  
and Corporate Secretary  
UPS  
55 Glenlake Parkway NE  
Atlanta, Georgia 30328

Any such notice of revocation must be delivered to the Company at the foregoing address in a manner calculated to ensure receipt prior to 11:59 p.m. on the day prior to the Effective Date. If Executive revokes this Agreement, Executive will not be entitled to the benefits provided herein.

d. Unknown Claims. Executive understands that the Released Claims may be known or unknown to him at the time of his execution of this Agreement. It is Executive’s knowing and voluntary intent, even though he recognizes that someday he might learn that some or all of the facts he currently believes to be true are untrue and even though he might then regret having signed this Agreement. Nevertheless, Executive is assuming that risk and Executive agrees that this Agreement shall remain effective in all respects in any such case. Executive expressly waives all rights he might have under any law that is intended to protect Executive from waiving unknown claims. Executive understands the significance of doing so.

e. Claims Not Released. Executive understands and agrees that this Section 5 does not release any claims that the law does not permit Executive to release. Executive further understands and agrees that he is not releasing any claim that relates to: (i) his right to enforce this Agreement; (ii) his right, if any, to claim government-provided unemployment benefits; or (iii) any rights or claims which may arise or accrue after Executive signs this Agreement.

f. Covenant Not to Sue. Except as otherwise provided in Section 8 below, Executive promises that he will not file, instigate or participate in any proceeding against any of the Released Parties relating to any of the Released Claims. In the event Executive breaches the covenant contained in this Section 5(f), Executive agrees to indemnify the Released Parties for all damages and expenses, including attorneys’ fees, incurred by any Released Parties in defending, participating in or investigating any matter or proceeding covered by this Section 5(f).

## **6. Representations by Executive.**

a. Executive represents and warrants to the Released Parties that Executive has read this Agreement and fully understands the effect hereof, that Executive executes this Agreement of Executive’s own free will and accord for the consideration set forth herein, and that Executive is not relying on any representations whatsoever of the Company, other than those set forth herein, as an inducement to enter into this Agreement.

b. Executive further represents and warrants to the Released Parties that no litigation or other proceeding has been filed or is pending by the Executive against the Released Parties; that no person or entity other than Executive has or has had any interest in the matters released herein; that Executive has the sole right,

capacity, and exclusive authority to execute this Agreement; that Executive has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations, or causes of action released herein; and that no child support order, garnishment orders, or other orders requiring Executive to pay money to any other person are now in effect.

c. Executive represents and warrants to the Released Parties that Executive has not suffered any discrimination on account of his age, sex, race, national origin, marital status, sexual orientation, or any other protected status, and none of these ever has been an adverse factor used against Executive by any Released Party. Executive has not suffered any job-related wrongs or injuries for which he might still be entitled to compensation or relief, such as an injury for which Executive might receive a workers’ compensation award in the future. Executive has properly reported all hours that he has worked and has already been paid all wages, overtime, commissions, compensation, benefits, and other amounts that the Company or any Released Party has ever owed him, except for unpaid amounts or benefits expressly payable under the terms of this Agreement. To the best of Executive’s knowledge, all of the factual allegations he made that induced the Company to enter into this Agreement are true in all material respects.

## **7. Restrictive Covenants.**

a. Acknowledgments.

i. Key Employee. Executive acknowledges and agrees that, by reason of his highly specialized skillset and the Company's investment of time, training, money, trust, and exposure to Confidential Information, Executive was intimately involved in the planning and direction of the Company's global business operations.

ii. Consideration. Executive acknowledges and agrees that his execution of and compliance with this Agreement are material factors in the Company's decision to make the Release Payment, which constitutes good and valuable consideration for the covenants set forth in this Agreement.

iii. Potential Unfair Competition. Executive acknowledges and agrees that, as a result of his receipt of Confidential Information, his role at UPS, and his relationships with UPS customers and employees, Executive would have an unfair competitive advantage if Executive were to violate this Agreement.

iv. No Undue Hardship. Executive acknowledges and agrees that Executive possesses marketable skills and abilities that will enable him to find suitable employment without violating the covenants set forth in this Agreement.

v. Voluntary Execution. Executive acknowledges and affirms that Executive is executing this Agreement voluntarily, that Executive has read this Agreement carefully, that Executive has had a full and reasonable opportunity to consider this Agreement (including an opportunity to consult with legal counsel), and that Executive has not been pressured or in any way coerced, threatened or intimidated into signing this Agreement.

b. Definitions.

i. "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)).

ii. "Confidential Information" means all information regarding the Company, its activities, businesses or customers which Executive learned as a result of his 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.

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

iv. "Protected Employee" means any person who was employed with the Company on, or within six (6) months before, the date of any solicitation or attempted solicitation by Executive.

v. "Restricted Competitors" means the companies and/or organizations, and any of their affiliates and related entities, listed on the document entitled "List Of Restricted Competitors" provided to Executive separately by the Company, and hereby incorporated fully herein by this reference.

vi. "Restricted Period" means a period of two (2) years after Executive's employment with UPS ended.

vii. "Trade Secret" means all of the Company's information that Executive learned about as a result of his 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 (A) 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 (B) 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.

c. Non-Disclosure and Prohibition Against Use of Confidential Information. Except as otherwise provided in Section 8 below, Executive agrees that Executive will not, directly or indirectly, reveal, divulge, or disclose any Confidential Information or Trade Secrets to any person or entity not expressly authorized by the Company to receive such information. Executive further agrees that Executive 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 activities that Executive pursues on behalf of the Company. Executive acknowledges and agrees that this Agreement is not intended to, and does not, alter either the Company's rights or his obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices. Executive's obligations as set forth in this Agreement are in addition to any other obligations Executive may have to protect Confidential Information and Trade Secrets, and such obligations will continue for so long as the information in question continues to constitute Confidential Information or Trade Secrets.

d. Non-Solicitation of Protected Employees. During the Restricted Period, Executive 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 Executive or any other person or entity.

e. Non-Solicitation of Protected Customers. During the Restricted Period, Executive 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.

f. Covenant Not to Compete. During the Restricted Period, Executive will not, without the prior written consent of the Company, (i) work for a Restricted Competitor; (ii) provide advice or consulting services to a Restricted Competitor; or (iii) otherwise provide services to a Restricted Competitor that are similar to those services that Executive provided to the Company and that are competitive with the transportation, delivery or logistics services provided by the Company during his employment. Executive understands and agrees that this non-compete provision is limited to the geographic area where the Company did business during his employment.

g. Non-Disparagement. Except as otherwise provided in Section 8 below, Executive will not make any statements that are derogatory or disparaging towards any of the Released Parties. For the purposes of this Agreement, the term "disparage" includes, without limitation,

comments or statements made in any manner or medium (including, without limitation, to the press and/or media, the Released Parties or any individual or entity) which would adversely affect in any manner (i) the conduct of the business of any of the Released Parties (including, without limitation, any Released Party's business plans or prospects) or (ii) the business reputation of any Released Party.

h. **Severability/Reformation.** Executive acknowledges and agrees that the protective covenants in this Section 7 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 in this Section 7 be held invalid, void or unenforceable in any court of competent jurisdiction, Executive understands and agrees that such invalidity, voidness or unenforceability does not invalidate, void or otherwise render unenforceable any other part or provision of this Agreement. Executive further agrees that, in the event any court of competent jurisdiction finds any of the protective covenants in this Section 7 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 in this Section 7 are enforceable to the fullest extent permitted by law.

i. **Tolling During Litigation.** Executive understands and agrees that if Executive violates any of the protective covenants in this Section 7, 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.

j. **Remedies.** The parties acknowledge that the restrictions contained in this Section 7 are reasonable and appropriate for the protection of the Company's legitimate business interests, and that they will not unduly impair Executive's ability to find other employment. Executive acknowledges and agrees that, in the event of a violation of one or more of Executive's covenants in this Section 7, in addition to and not in lieu of any other remedy to which the Company may be entitled, the Company shall be permitted to seek and obtain immediate injunctive relief, restraining further breach by Executive, in a court of competent jurisdiction, and without the necessity for posting of a bond or other security. In addition to and not in lieu of any other remedy to which the Company may be entitled, no further payments or benefits of any kind that would otherwise inure to Executive pursuant to Section 2 of this Agreement shall accrue or be owed.

8. **Permitted Disclosures.** Nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission or any other federal, state or local governmental agency or commission (collectively, "**Government Agencies**"), or prevents Executive from providing truthful testimony in response to a lawfully issued subpoena or court order. Further, this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Executive is hereby notified that under the Defend Trade Secrets Act: (a) no individual will be held criminally or civilly liable under federal or state trade secret law for disclosure of a trade secret (as defined in the Economic Espionage Act) that is: (i) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and (b) an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

9. **Return of Materials.** Upon request from the Company, Executive agrees to return all materials, documents, and information in his possession or control relating to the Company without retaining any copies in

either electronic or hard copy form. Executive also agrees that upon request from the Company, Executive will return all materials, documents, and information that Executive received or created in connection with his work as an employee of the Company, 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.

10. **No Admission of Liability.** Executive agrees not to assert that this Agreement is an admission of guilt or wrongdoing by the Company or any Released Party, and Executive acknowledges that the Company and the Released Parties deny that they have engaged in wrongdoing of any kind or nature.

11. **Age Representation.** Executive is over age (40) forty at the time of signing this Agreement.

12. **Confidentiality of Agreement.** Executive will treat the terms of this Agreement, and the circumstances of Executive's separation from employment, as confidential and will not disclose the terms or circumstances thereof to anyone except Executive's spouse, attorney, accountant or financial advisor, or except as may be required by law or agreed to in writing by the Company (provided that, in the event of such disclosure, Executive shall notify Executive's spouse, attorney, accountant and/or financial advisor of the confidential nature of this Agreement and the circumstances of Executive's separation from employment). Nothing in this Agreement shall be deemed to prohibit Executive from communicating or cooperating with any governmental agency.

13. **Taxation and Withholding; 409A Compliance.**

a. Executive acknowledges that payments and benefits hereunder may be taxable and that the Company makes no representation or warranty regarding the income tax effects of any payment or benefit provided hereunder. Executive shall be solely responsible for any tax liability with respect to all payments and benefits provided under this Agreement. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

b. If a payment date that complies with Section 409A is not otherwise provided herein for any payment (in cash or in-kind) or reimbursement that would otherwise constitute "deferred compensation" under Section 409A, then such payment or reimbursement, to the extent such payment or reimbursement becomes due hereunder, shall in all events be made not later than two and one half (2½) months after the end of the later of the fiscal year or the calendar year in which the payment or reimbursement is no longer subject to a substantial risk of forfeiture.

c. It is the intention of both Executive and the Company that the benefits and rights to which Executive is entitled pursuant to this Agreement are exempt from or comply with Section 409A, to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believe, at any time, that any such benefit or right that is subject to Section 409A does not so comply, Executive or the Company shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on Executive and the Company).

d. Notwithstanding any time of payment otherwise designated in this Agreement, if on the Retirement Date Executive is a "specified employee" within the meaning of Section 409A, any amounts payable to Executive by reason of Executive's "separation from service" with the Company will not be paid to Executive until the date that is six (6) months and one (1) day following Executive's separation from service to the extent required by Section 409A.

14. **Severability.** In the event any portion or clause of this Agreement is deemed invalid or unenforceable in a court of law, the remainder of the Agreement shall be severed from the invalid or unenforceable portion.

15. **Entire Agreement.** Except as otherwise expressly provided in this Agreement, any prior agreement (whether written or oral) between the parties with respect to the subject matter of this Agreement is null

and void, as this Agreement expresses the entire agreement of the parties with respect to its subject matter. This Agreement may only be modified in writing signed by both Parties.

16. **Assignment.** This Agreement shall accrue to the benefit of the Company and its successors and assigns, and shall be freely assignable to any entity with which the Company may merge or otherwise combine, or to which the Company may transfer substantial assets. This Agreement is personal to Executive and may not be assigned by Executive.

17. **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Georgia.

18. **Interpretation.** This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Executive or any Released Party. Unless the context indicates otherwise, the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

19. **Counterparts.** This Agreement may be executed in counterparts, including those transmitted by electronic means, each of which shall be deemed an original and all of which taken together shall constitute one and the same document.

20. **Further Pursuit of Claims Under Company EDR Program.** Executive understands that by signing this Agreement Executive is waiving any rights pursuant to the Company's Employee Dispute Resolution Program ("EDR") to challenge or seek reconsideration of any employment action occurring prior to the date Executive executes this Agreement or to seek reconsideration of the terms of this Agreement.

21. **Authorizations.** The Parties hereby represent and warrant that it or he (as applicable) has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party, that this Agreement constitutes a legal, valid and binding obligation of each such Party and that the execution, delivery and performance of this Agreement by such Party does not contravene or conflict with any provision of law or of its charter or bylaws or any material agreement, instrument or order binding on such Party.

[Signature Page Follows]

[Signature Page to Release and Protective Covenant Agreement]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the Effective Date.

United Parcel Service, Inc.

By: /s/ Norman M. Brothers, Jr.

Title: General Counsel and Corporate Secretary

Date: March 26, 2020

/s/ Richard N. Peretz

**RICHARD N. PERETZ**



Date: March 26, 2020