

UNITED PARCEL SERVICE, INC.
AUDIT COMMITTEE CHARTER

Effective November 3, 2020

I. COMMITTEE MEMBERS

The Board of Directors (the "Board") appoints an Audit Committee (the "Committee") of at least three members, consisting entirely of "independent" directors of the Board, and designates one member as chairperson. "Independent" means a director who satisfies all criteria for independence of an audit committee member established by the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE"), both as determined by the Board. The chairperson of the Committee and each Committee member will serve for such term as the Board may decide or until such Committee member is no longer a Board member.

Each member of the Committee must be financially literate, and at least one member of the Committee will have such accounting or related financial management expertise as required to be a "financial expert" in compliance with the criteria established by the SEC. Both "financial literacy" and "financial expertise" shall be determined by the Board. No member of the Committee shall serve on more than three public company audit committees without approval of the Chair of the Nominating and Corporate Governance Committee.

II. PURPOSE AND RESPONSIBILITIES

The Committee assists the Board in discharging its responsibilities relating to the accounting, reporting and financial practices of the Company and its subsidiaries. The Committee has general responsibility for oversight of the accounting and financial reporting processes of the Company and its subsidiaries, including oversight of the Company's evaluation of major financial risks, oversight of the integrity of the Company's financial statements, the Company's systems of disclosure controls and internal controls, the Company's compliance with legal and regulatory requirements as well as the Company's Code of Business Conduct, the qualification and independence of the Company's auditors, the performance of the Company's internal audit function and independent auditors, and the preparation of the audit committee report that the SEC requires to be included in the Company's annual proxy statement.

In carrying out its intended purpose, the Committee shall have the powers, duties and responsibilities delegated to it by the Board as set forth below. The Committee shall:

A. Services of Independent Auditors

1. Have sole authority to appoint and oversee a registered public accounting firm (as defined by applicable law) to serve as the Company's independent auditors and to perform the Company's annual financial statement audit (taking into account the vote on shareholder ratification). This authority shall include the sole discretion to retain and terminate such independent auditors, to approve the terms and conditions of all audit engagements as well as all significant non-audit engagements, where permissible, with such independent auditors (including establishing preapproval policies and preapproving such services as required by applicable law, rule or regulation), and to determine the compensation to be paid to such independent auditors. In no event shall the Committee engage the Company's independent auditors to perform any prohibited activity enumerated in Section 201(a) of the Sarbanes Oxley Act of 2002, except as may otherwise be provided by law or regulation.
2. Oversee the work performed by the Company's independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting). Such independent auditors shall report directly to the Committee and shall be ultimately accountable to the entire Board through the Committee.
3. Review with the independent auditors the scope of the audit and review the results of the annual audit examination and any reports of the independent auditors with respect to the Company's financial statements or policies.
4. Review with the independent auditors the matters required to be discussed by applicable Public Company Accounting Oversight Board ("PCAOB") standards as amended from time to time.
5. At least annually, review the qualifications, performance and independence of the independent auditors, including the performance of the lead audit partner, and, consistent with the rules of the PCAOB, obtain and review a report from the independent auditors describing any relationships between the auditors and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the independence of the auditors and discuss with the auditors the potential effects of any such relationships on independence.
6. At least annually, obtain and review a report by the Company's independent auditors describing: (1) the firm's internal quality control procedures; and (2) any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by

governmental or professional authorities, within the preceding five years, respecting any independent audit carried out by the firm, and any steps taken to deal with any such issues.

B. Audit Practices and Financial Reporting Matters

1. Meet to review and discuss with management and the independent auditors the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and discuss with the independent auditors their judgments as to the quality of the Company's accounting principles. Recommend to the Board whether the annual audited financial statements should be included in the Annual Report on Form 10-K.
2. Review with management and the independent auditors the results of any significant matters identified as a result of the independent auditors' interim review procedures prior to the filing of each Form 10-Q or as soon thereafter as possible. The Committee Chair may perform this function on behalf of the Committee.
3. Discuss earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.
4. Review the annual program for the Company's internal audits and review audit reports submitted by the internal auditing staff. Approve the annual audit plan and all major changes to the plan. Review the adequacy of the Company's internal controls at least quarterly.
5. Review the activities, staffing, and organizational structure of the internal audit function.
6. Review and discuss with the independent auditors and the internal auditors the integrity of the Company's financial reporting processes (both internal and external) and internal controls (including disclosure controls).
7. Review changes in the accounting policies of the Company and accounting and financial reporting proposals that may have a significant impact on the Company's financial reports, and make reports on the foregoing to the Board.
8. Regularly review with the independent auditors any audit problems or difficulties and management's response, including any restrictions on the

scope of the independent auditors' activities or access to requested information and any significant disagreements with management.

9. Monitor for any unjustified restrictions or limitations on the internal audit function's ability to carry out its responsibilities, and review and concur in the appointment, replacement, or dismissal of the Company's chief audit executive.
10. Meet periodically in separate executive sessions with management, the internal auditors (or other personnel responsible for the internal audit function), the General Counsel and the independent auditors in connection with the performance of its oversight function.

C. Company Governance Policies and Compliance

1. Oversee the preparation of the audit committee report that the SEC rules require to be included in the Company's annual proxy statement.
2. Establish clear policies for the Company to follow in hiring employees or former employees of the independent auditors.
3. Discuss with management policies with respect to financial risk assessment and management, including guidelines to govern the process by which major financial and accounting risk assessment and management is undertaken by the Company. Meet periodically with management to review the results of such assessments, including the Company's major financial risk exposures and steps management has taken to monitor and control such exposures.
4. Discuss with management and the Risk Committee the guidelines and policies that govern the process by which enterprise risk assessment and risk management is undertaken.
5. Review the adequacy of this Committee Charter on an annual basis and conduct an annual performance evaluation of the Committee.
6. Review with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies. In connection therewith, the Committee shall establish procedures for (1) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing or federal securities law matters, and (2) the confidential, anonymous submission by employees of the Company of concerns regarding such questionable accounting or auditing matters.

7. Oversee the Company's Business Conduct and Compliance Program, including the Company's Code of Business Conduct, and, at least annually, meet to review the implementation and effectiveness of the Company's legal and ethical compliance programs with the Company's senior leadership, including any senior leader with day-to-day operational responsibility for compliance, who shall have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of law or the Code, including any matters involving criminal or potential criminal conduct.
8. Establish and periodically review policies and procedures for the review, approval and ratification of related person transactions, and review and approve or ratify, as appropriate, any related person transactions.

D. General Powers

1. Have the ability (but not the obligation) to conduct or authorize, if it considers appropriate, investigations into any matters within the scope of its responsibilities.
2. Have the authority (without the necessity or requirement of approval from the Board) to obtain advice, services and assistance from outside legal, accounting or other advisors, as the Committee deems necessary to assist it in carrying out its responsibilities, and to determine the compensation for any such advisors. The Committee shall receive appropriate funding from the Company for payment of compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.
3. Perform such activities consistent with this Charter, the Company's Amended and Restated Bylaws and applicable law as the Board or the Committee deems necessary or appropriate.
4. Report regularly to the Board and make recommendations to the Board within the scope of its functions.

III. SCOPE OF DUTIES

While the Committee has the responsibilities and the authority set forth in this Charter, it is not the duty or responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP. This is the responsibility of the independent auditors and management, respectively. Nor is it the duty of the Committee to assure compliance by

the Company or its subsidiaries with applicable laws and regulations and the Business Conduct and Compliance Program.

IV. COMMITTEE MEETINGS

The Committee will meet as often as it deems necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines, provided that the Committee will meet at least four times each year. The Committee may from time to time invite to its meetings any director, management of the Company or such other persons as it deems appropriate. The majority of the members of the Committee constitute a quorum.