

**United Parcel Service, Inc.**  
**Related Person Transactions Policy**  
**Approved February 11, 2015**

The UPS Code of Business Conduct requires that all of our employees and directors avoid conflicts of interest, defined as situations where the person's private interests conflict, or even appear to conflict, with the interests of UPS as a whole. Furthermore, under Securities and Exchange Commission ("SEC") regulations, UPS is required to disclose certain transactions between the Company and certain related person ("Related Person Transactions"), as defined below.

In order to help avoid conflicts of interest and to comply with SEC regulations, each director and executive officer completes an annual detailed questionnaire that inquires about any business relationship that may give rise to a conflict of interest and all transactions in which UPS is involved and in which the executive officer, a director or a related person has a direct or indirect material interest. In addition, the Board of Directors, acting upon the recommendation of its Audit Committee, has adopted the following policy with regard to Related Person Transactions.

**Policy**

Related Person Transactions, which are limited to those defined in this policy, shall be subject to the approval or ratification by the Audit Committee of the Board of Directors (the "Committee"). The Company's directors and executive officers are expected to notify the Company's Corporate Secretary promptly if they become aware of actual or proposed Related Person Transaction.

**Definitions**

A "Related Person Transaction" is any transaction or series of transactions in which (1) the Company or any of its subsidiaries is a participant, (2) any Related Person has or will have a material direct or indirect interest, and (3) the aggregate amount involved since the beginning of the Company's last completed fiscal year will exceed or may reasonably be expected to exceed \$100,000. Any transaction that Item 404 of Regulation S-K provides need not be disclosed shall not be considered a "Related Person Transaction" for purposes of this policy.

A "Related Person" is any (1) person who is or was an executive officer or director since the beginning of the Company's last completed fiscal year, (2) person who is known by the Company to be a greater than 5% beneficial owner of the Company's common stock, or (3) an Immediate Family Member of any natural person in (1) or (2) above.

An "Immediate Family Member" includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home.

**Procedure**

The Company will provide material facts about each new, existing or proposed Related Person Transaction for the Committee's consideration. The Committee shall approve or disapprove of the entry into the Related Person Transaction. If advance approval of a Related Person Transaction is not possible, then the transaction will be considered and, if deemed appropriate, ratified no later than the Committee's next regularly scheduled meeting. Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Person Transaction, except that the director will provide all material information concerning the transaction to the Committee.

In determining whether to approve or ratify a Related Person Transaction, the Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances, the extent of the Related Person's interest in the transaction, whether the transaction would impair the independence of an outside director and whether there are business reasons for the Company to enter into the transaction.