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) May 18, 2017

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

Delaware	**001-15451**	**58-2480149**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(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))

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 Rule12b-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 standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01. Other Events.

On May 15, 2017, United Parcel Service, Inc. (the "Company") entered into an agreement (the "Underwriting Agreement") with the underwriters listed on Schedule II thereto (the "Underwriters"), whereby the Company agreed to sell and the Underwriters agreed to purchase from the Company, subject to and upon the terms and conditions set forth in the Underwriting Agreement, C$750,000,000 aggregate principal amount of the 2.125% Senior Notes due 2024 (the "Transaction"). The Company intends to use the net proceeds of the Transaction for general corporate purposes.

In connection with the Transaction, the Company entered into a Second Supplemental Indenture, dated as of May 18, 2017 (the "Second Supplemental Indenture"), under the Indenture, dated August 26, 2003 (the "Indenture"), between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor to Citibank, N.A.), as trustee.

A copy of the Underwriting Agreement is attached hereto as Exhibit 1.1 and is incorporated herein by reference. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Underwriting Agreement.

The Company is filing this Current Report on Form 8-K so as to file with the Securities and Exchange Commission certain items related to the Transaction that are to be incorporated by reference into its Registration Statement on Form S-3ASR (Registration No. 333-214056).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

1.1	Underwriting Agreement
4.1	Second Supplemental Indenture
4.2	Form of 2.125% Senior Note due 2024
4.3	Paying Agency Agreement, by and between the Company, The Bank of New York Mellon Trust Company, N.A. and BNY Trust Company of Canada
5.1	Opinion of King & Spalding LLP
23.1	Consent of King & Spalding LLP (included in Exhibit 5.1)

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.

UNITED PARCEL SERVICE, INC.

Date: May 18, 2017

By: /s/ Richard N. Peretz
Name: Richard N. Peretz
Title: Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 1.1

Execution Version

United Parcel Service, Inc.

2.125% Senior Notes due 2024

Underwriting Agreement

May 15, 2017

To the several Underwriters named in Schedule II

Ladies and Gentlemen:

United Parcel Service, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the firms named in Schedule II hereto (such firms constituting the "Underwriters") certain of its debt securities specified in Schedule III hereto (the "Designated Securities") to be issued under an indenture, dated as of August 26, 2003 (the "Indenture"). The representative or representatives of the Underwriters, if any, specified in Schedule I hereto are hereinafter referred to as the "Representatives."

The Company has filed with the Securities and Exchange Commission (the "Commission") an automatic shelf registration statement on Form S-3 (File No. 333-214056), including the related preliminary prospectus or prospectuses, which registration statement became effective upon filing under Rule 462(e) of the rules and regulations of the Commission under the Securities Act of 1933, as amended (the "Act"). Such registration statement covers the registration of the Designated Securities under the Act. Promptly after the execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430B and Rule 424(b) under the Act. Any information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of and included in such registration statement pursuant to Rule 430B is referred to as "Rule 430B Information." Each prospectus used in connection with the offering of the Designated Securities that omitted Rule 430B Information is herein called a "preliminary prospectus." The term "Registration Statement," as of any time, means the registration statement as amended by any amendment thereto, registering the offer and sale of the Designated Securities, among other securities, in the form then filed by the Company with the Commission, including any document incorporated by reference therein and any prospectus, prospectus supplement and/or pricing supplement deemed or retroactively deemed to be a part thereof at such time that has not been superseded or modified. "Registration Statement" without reference to a time means such registration statement, as amended, as of the Applicable Time (as defined in Section 1(b) herein); for purposes of this definition, information contained in a form of prospectus, prospectus supplement or pricing supplement that is retroactively deemed to be part of such registration statement, as amended, pursuant to Rule 430B or Rule 430C under the Act shall be considered to be included in such registration statement, as amended, as of the time specified in Rule 430B or 430C, as the case may be. The final prospectus in the form first furnished to the Underwriters for use in connection with the offering of the Designated Securities, including the documents incorporated by reference therein

pursuant to Item 12 of Form S-3 under the Act at the time of the execution of this Agreement and any preliminary prospectuses that form a part thereof, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

References to "Canadian Securities Laws" shall mean all applicable securities laws, regulations, rules, instruments, rulings and orders in each of the provinces of Canada (the "Canadian Selling Jurisdictions") and the applicable policy statements issued by any Canadian securities regulatory authority.

The Company has prepared, in a form approved by the Underwriters, a preliminary Canadian offering memorandum dated May 15, 2017 (the "Preliminary Canadian Offering Memorandum"), which incorporates the U.S. prospectus dated October 11, 2016 (the "U.S. Prospectus"), as supplemented by a preliminary U.S. prospectus supplement dated May 15, 2017 relating to the Designated Securities, and the Company agrees to prepare a Canadian offering memorandum (the "Canadian Offering Memorandum"), which will incorporate the U.S. Prospectus as supplemented by a U.S. prospectus supplement dated the date hereof relating to the Designated Securities and conform, in all material respects, to the requirements of Canadian Securities Laws.

1. The Company represents and warrants to each of the Underwriters as of the date hereof, as of the Applicable Time and as of the Time of Delivery (as defined in Section 3 herein), and agrees with each of the Underwriters, that:

(a) (A) At the earliest time after filing of the Registration Statement, (B) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or form of prospectus), (C) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Act) made any offer relating to the Designated Securities in reliance on the exemption of Rule 163 and (D) at the date hereof, the Company was and is a "well-known seasoned issuer" as defined in Rule 405 under the Act, including not having been and not being an "ineligible issuer" as defined in Rule 405; the Registration Statement is an "automatic shelf registration statement," as defined in Rule 405, and the Designated Securities, since their registration on the Registration Statement, have been and remain eligible for registration by the Company on a Rule 405 "automatic shelf registration statement"; the Company has not received from the Commission any notice pursuant to Rule 401(g)(2) under the Act objecting to the use of the automatic shelf registration statement form; and at the earliest time after filing of the Registration Statement, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Act) of the Designated Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405.

(b) The Registration Statement became effective upon filing under Rule 462(e) under the Act on October 11, 2016, and any post-effective amendment thereto also became effective upon filing under Rule 462(e); no stop order suspending the

effectiveness of the Registration Statement has been issued under the Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with; and the Company is not the subject of a pending proceeding under Section 8A of the Act in connection with the offering of the Designated Securities.

Any offer that is a written communication relating to the Designated Securities made prior to the filing of the Registration Statement by the Company or any person acting on its behalf (within the meaning, for this paragraph only, of Rule 163(c) under the Act) has been filed with the Commission in accordance with the exemption provided by Rule 163 and otherwise complied with the requirements of Rule 163, including without limitation the legending requirement, to qualify such offer for the exemption from Section 5(c) of the Act provided by Rule 163.

The term "Statutory Prospectus" as of any time means the prospectus relating to the Designated Securities that is included in the Registration Statement immediately prior to that time, including any document incorporated by reference therein and any preliminary or other prospectus deemed to be a part thereof.

The term "Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 under the Act, relating to the Designated Securities that (i) is required to be filed with the Commission by the Company, (ii) is a "road show for an offering that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission or (iii) is exempt from filing pursuant to Rule 433(d)(5)(i) because it contains a description of the Designated Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

The term "Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being specified in Schedule V hereto.

The term "Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

The term "Applicable Time" means 4:00 pm (Eastern time) on May 15, 2017 or such other time as agreed by the Company and the Representatives.

(c) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents, when they became effective or were filed with the Commission, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and

regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to (i) any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to the Designated Securities or (ii) the Form T-1.

(d) The Registration Statement, as of its effective date or the date of any post-effective amendment thereto, conformed, and the Prospectus as of its issue date conformed, and any further amendments or supplements to the Registration Statement or the Prospectus as of their respective effective or issue dates will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder; and (i) the Registration Statement and any amendment thereto, as of the applicable effective date of the Registration Statement or any such amendment, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Prospectus, the Preliminary Canadian Offering Memorandum, the Canadian Offering Memorandum and any amendment or supplement to any of the foregoing, as of the respective dates thereof, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (iii) the Prospectus, the Preliminary Canadian Offering Memorandum and the Canadian Offering Memorandum, in each case as amended or supplemented, if applicable, at the Time of Delivery, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to (x) any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus, the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum, in each case as amended or supplemented relating to the Designated Securities or (y) the Form T-1.

(e) Each preliminary prospectus (including the prospectus or prospectuses filed as part of the Registration Statement or any amendment thereto) complied when so filed in all material respects with the rules and regulations under the Act and each preliminary prospectus and the Prospectus (including the version of such documents forming part of the Preliminary Canadian Offering Memorandum and the Canadian Offering Memorandum, respectively) delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(f) As of the Applicable Time, neither (i) the Issuer General Use Free Writing Prospectus(es) issued at or prior to the Applicable Time and the Preliminary Canadian Offering Memorandum and the Statutory Prospectus at the Applicable Time, all considered together (collectively, the "General Disclosure Package"), nor (ii) any

individual Issuer Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement, the Prospectus, the Preliminary Canadian Offering Memorandum, the Canadian Offering Memorandum or any Issuer Free Writing Prospectus made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein.

(g) Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Designated Securities, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus, the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum, including any document incorporated by reference therein and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified.

(h) Since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus, except as otherwise stated therein, there has not been any change in the capital stock (other than changes due to (i) repurchases of common stock of the Company pursuant to previously announced stock repurchase programs, (ii) issuances or other transfers of capital stock in the ordinary course of business pursuant to the Company's employee benefit plans and (iii) conversions of shares of the Company's class A common stock into shares of the Company's class B common stock) or a material increase in the long-term debt of the Company and its subsidiaries taken as a whole or any material adverse change or any development involving a prospective material adverse change, in or affecting the business, financial condition, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole (a "Material Adverse Change").

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus.

(j) This Agreement has been duly authorized, executed and delivered by the Company. The Designated Securities have been duly authorized, and, when executed, authenticated, issued, delivered and paid for pursuant to this Agreement and authenticated by the Trustee, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally and to the effect of general principles of equity, entitled to the benefits provided by the Indenture; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, at the Time of Delivery, the Indenture will constitute a valid and binding agreement of the Company, enforceable

against the Company in accordance with its terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally and to the effect of general principles of equity; and the Indenture conforms, and the Designated Securities will conform, in all material respects to the descriptions thereof contained in the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus.

(k) The issue and sale of the Designated Securities and the compliance by the Company with all of the provisions of the Designated Securities, the Indenture and this Agreement, and the consummation of the transactions herein and therein contemplated, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party that is material to the Company and its subsidiaries taken as a whole, except for such breaches, violations or defaults that would not result in a Material Adverse Change, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Designated Securities or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except (i) where the failure to obtain any such consent, approval, authorization, order, registration or qualification would not result in a Material Adverse Change and (ii) for such consents, approvals, authorizations, orders, registrations or qualifications that have been, or will have been prior to the Time of Delivery, obtained under the Act and the Trust Indenture Act and or that may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Designated Securities by the Underwriters. There is no order, ruling or decision of any court or Canadian securities regulatory authority restricting or ceasing trading in any of the securities of the Company or suspending or preventing the use of the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum in effect or, to the knowledge of the Company, threatened by any Canadian securities regulatory authority.

(l) The Company is not, and after giving effect to the offering and sale of the Designated Securities and the application of the proceeds thereof as described in the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus, the Company will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(m) The financial statements included in the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; and said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved; the supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. The interactive

data in eXtensible Business Reporting Language ("XBRL") incorporated by reference into the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus present fairly in all material respects the information called for and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(n) The Company and each of its subsidiaries maintain a system of internal control over financial reporting (as such term is defined in Rule13a-15(f) of the Exchange Act) that complies with the requirements of the Exchange Act and that has been designed by, or under the supervision of, the Company's principal executive and principal financial officers, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(o) The Company and its consolidated subsidiaries employ disclosure controls and procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

2. The several Underwriters propose to offer the Designated Securities for sale upon the terms and conditions set forth in the General Disclosure Package. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price set forth in Schedule III, the aggregate principal amount of Designated Securities set forth in Schedule II opposite the name of such Underwriter, plus any additional principal amount of Designated Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof.

3. The Designated Securities to be purchased by each Underwriter pursuant to this Agreement, in the form specified herein, and in such authorized denominations and registered in such names as the Representatives may request upon at least 48 hours' prior notice to the Company, shall be delivered by or on behalf of the Company to the Representatives for the

account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor by wire transfer of same-day funds to the account specified by the Company to the Representatives at least 48 hours in advance or at such other place and time and date as the Representatives and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery."

4. (i) The Company agrees with each of the Underwriters of the Designated Securities:

(a) The Company will prepare the Prospectus in relation to the Designated Securities in a form reasonably approved by the Representatives and will file such Prospectus in accordance with the provisions of Rule 430B and Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 424(b); the Company will make no further amendment or any supplement to the Registration Statement or the Prospectus as amended or supplemented after the date of this Agreement and prior to the Time of Delivery if the Representatives reasonably disapprove thereof promptly after reasonable notice thereof (*provided, however,* that (i) the Company may make any such further amendment or supplement which, in the opinion of counsel to the Company, is required by law, and (ii) the Company shall only be required to provide the Company's reports to be filed with the Commission pursuant to the Exchange Act to the Representatives on the business day prior to the date on which such filings are to be transmitted for filing with the Commission); the Company will advise the Representatives promptly of any such amendment or supplement after such Time of Delivery and furnish the Representatives with copies thereof; the Company will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus for so long as the delivery of a prospectus is required in connection with the offering or sale of the Designated Securities; and during such same period the Company will advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Designated Securities, of the suspension of the qualification of the Designated Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose or of any examination pursuant to Section 8(e) of the Act concerning the Registration Statement, if the Company becomes the subject of a proceeding under Section 8A of the Act in connection with the offering of the Designated Securities, of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information, or of the issuance of any order, ruling or decision of any court or Canadian securities regulatory authority restricting or ceasing trading in any of the securities of the Company or suspending or preventing the use of the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum or the receipt of any notification from any court or Canadian securities regulatory authority of the institution or threatening of any proceeding for such purpose; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Designated Securities or suspending any such qualification, the Company will promptly use its best efforts to obtain the withdrawal of such order.

(b) The Company promptly from time to time will take such action as the Representatives may reasonably request to qualify the Designated Securities for offering and sale under the securities laws of such jurisdictions as the Representatives reasonably may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Designated Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction.

(c) Unless otherwise agreed to by the Representatives, prior to 9:00 a.m. New York City time, in respect of electronic copies, and prior to 3:00 p.m., New York City time, in respect of written copies, in each case, on the business day next succeeding the date of this Agreement and from time to time, the Company will furnish the Underwriters with written and electronic copies of the Prospectus and the Canadian Offering Memorandum in each case as amended or supplemented in New York City in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the issue date of the Prospectus in connection with the offering or sale of the Designated Securities and if at such time any event shall have occurred as a result of which the Prospectus or the Canadian Offering Memorandum, in each case, as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) or Canadian Offering Memorandum is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Registration Statement, the Prospectus, the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Registration Statement, Prospectus, Preliminary Canadian Offering Memorandum or Canadian Offering Memorandum or a supplement to the Registration Statement, Prospectus, Preliminary Canadian Offering Memorandum or Canadian Offering Memorandum which will correct such statement or omission or effect such compliance.

(d) The Company will make generally available to its securityholders as soon as practicable, but in any event not later than 18 months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158).

(e) During the period beginning from the date hereof and continuing to and including the later of (i) the termination of trading restrictions for such Designated Securities, as notified to the Company by the Representatives and (ii) the Time of

Delivery, the Company will not offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which mature more than one year after the Time of Delivery and which are substantially similar to the Designated Securities, without the prior written consent of the Representatives.

(f) The Company shall pay the required Commission filing fees relating to the Designated Securities within the time period required by Rule 456(b)(1)(i) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act, and, if applicable, shall update the "Calculation of Registration Fee" table in accordance with Rule 456(b)(1)(ii) either in a post-effective amendment to the Registration Statement or on the cover page of a prospectus filed pursuant to Rule 424(b).

(g) The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Designated Securities that would constitute an "issuer free writing prospectus," as defined in Rule 433, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission; *provided*, *however*, that prior to the preparation of the Final Term Sheet in accordance with subsection (h) below, the Underwriters are authorized to (x) use the information with respect to the final terms of the Designated Securities in communications conveying information relating to the offering to investors and (y) use one or more term sheets relating to the Designated Securities containing customary information without the prior written consent of the Company so long as such term sheet is not required to be filed as a "free writing prospectus" with the Commission pursuant to Rule 433. Any such free writing prospectus consented to by the Company and the Representatives is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.

(h) The Company will prepare final term sheet containing only a description of the Designated Securities, in a form attached hereto as Schedule IV and approved by the Representatives, and will file such term sheets pursuant to Rule 433(d) within the time required by such rule (such term sheet, the "Final Term Sheet"); the Final Term Sheet is an Issuer General Use Free Writing Prospectus for purposes of this Agreement.

(i) The Company will cause to be provided or filed with the applicable Canadian securities authorities all information, forms and fees required to be provided or filed by it in connection with the offering of Designated Securities in Canada, including the filing of the Canadian Offering Memorandum, if required, and the reports of trade on Form 45-106F1 or equivalent required under applicable Canadian Securities Laws together with the applicable fees, in each case, within the applicable time periods for the provision or filing thereof, based on the information that the Underwriters have provided to the Company in accordance with Section 4(ii)(h).

(ii) Each Underwriter, severally and not jointly, covenants with the Company as follows:

(a) The Underwriters agree to reasonably confirm that each Canadian purchaser: (i) (A) if such purchaser is in the province of Alberta, such purchaser is an "accredited investor" (as defined in National Instrument 45-106 — Prospectus Exemptions ("NI 45-106")) that is not an individual unless it is also a "permitted client" (as such term is defined in National Instrument 31-103 — Registration Requirements, Exemptions and Ongoing Registrant Obligations) or (B) if such purchaser is in a province of Canada other than the province of Alberta, such purchaser is not an individual and is purchasing the Designated Securities with an acquisition cost to such purchaser of not less than C$150,000 paid in cash at the time of closing, unless such purchaser is a person acting on behalf of a fully managed account described in paragraph (p) or (q) of the definition of "accredited investor" in section 1.1 of NI 45-106, in which case such purchaser is an "accredited investor" as described in such paragraphs and is purchasing as an accredited investor; (ii) if purchasing as an accredited investor, is not a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106 or, if purchasing under the prospectus exemption for acquisitions of not less than C$150,000, such purchaser was not created, or is not used, solely to purchase or hold securities in reliance on such prospectus exemption; and (iii) is purchasing as principal (or deemed to be purchasing as principal under Canadian Securities Laws); and obtain and retain relevant information and documentation to evidence the steps taken to verify compliance with the exemption in accordance with its usual document retention policies and procedures in compliance with applicable laws, and provide to the Company forthwith upon request all such information or documentation as the Company may reasonably request in good faith and solely for the purpose of verifying compliance with the exemption, correcting any required filings and responding to regulatory inquiries with respect thereto.

(b) The Underwriters agree that, if it involves any members of any banking, selling or other group in the distribution of Designated Securities, it will cause agreements and acknowledgements substantially the same as the agreements and acknowledgements contained in the foregoing subparagraph to be contained in an agreement with each of the members of such group in favor of the Company and shall use its reasonable efforts to cause the members of such group to comply with Canadian Securities Laws.

(c) It has not provided and will not provide to any Canadian purchaser any document or other material that would constitute an offering memorandum (as defined under applicable Canadian Securities Laws) other than (i) the Preliminary Canadian Offering Memorandum, (ii) the Canadian Offering Memorandum and (iii) any other documentation forming part of the General Disclosure Package.

(d) It (i) is duly registered as an "investment dealer" or "exempt market dealer" as defined under Canadian Securities Laws or is otherwise exempt from the dealer registration requirements of Canadian Securities Laws in connection with the offer and sale of the Designated Securities to Canadian purchasers as contemplated by the Preliminary Canadian Offering Memorandum and the Canadian Offering Memorandum and is in material compliance with the terms and conditions of such registration or exemption and (ii) has offered and will offer for sale and sell the Designated Securities only to such persons and in such manner that pursuant to applicable Canadian Securities Laws no prospectus (as defined under applicable Canadian Securities Laws) need be delivered or filed.

(e) It will comply with all relevant Canadian Securities Laws concerning any resale of the Designated Securities.

(f) The offer and sale of the Designated Securities will not be made through or accompanied by any advertisement of the Designated Securities, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada.

(g) It has not made and it will not make any written or oral representations to any Canadian purchaser: (i) that any person will resell or repurchase the Designated Securities purchased by such Canadian purchaser; (ii) that the Designated Securities will be freely tradeable by the Canadian purchaser without any restrictions or hold periods; (iii) that any person will refund the purchase price of the Designated Securities; or (iv) as to the future price or value of the Designated Securities.

(h) The Underwriters will: (x), as soon as practicable and in any event within five (5) Business Days of the Time of Delivery, provide to the Company the information pertaining to each such purchaser of the Designated Securities as required to be disclosed in Form 45-106F1 and the related schedules under NI 45-106 and acknowledges, authorizes and consents to the delivery or filing, as applicable, by the Company of the report on Form 45-106F1 under NI 45-106 (and any equivalent report required under Canadian Securities Laws) with the applicable Canadian securities regulators; and (y) give prompt notice to the Company when the distribution of the Designated Securities has been completed and, to the extent applicable, provide any further information to Company that is required for the purpose of calculating fees payable to the applicable Canadian securities regulators in connection with the distribution.

5. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Designated Securities under the Act and all other expenses in connection with, as applicable, the preparation, printing and filing of the Registration Statement, the Statutory Prospectus, any General Use Issuer Free Writing Prospectus, the Prospectus, the Preliminary Canadian Offering Memorandum and the Canadian Offering Memorandum and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Indenture, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Designated Securities; (iii) all expenses in connection with the qualification of the Designated Securities for offering and sale under state securities laws as provided in Section 4(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with any Blue Sky survey and the preparation of any Blue Sky Memorandum; (iv) any fees charged by securities rating services for rating the Designated Securities; (v) any filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by the Financial Industry Regulatory Authority of the terms of the sale of the Designated Securities; (vi) any levies paid by the Underwriters to the Investment Industry Regulatory Organization of Canada in connection with the Designated Securities; (vii) the cost of any fees and expenses pursuant to Section 4(i)(i); (viii) the cost of preparing the Designated Securities; (ix) the fees and expenses of any Trustee and any agent of any Trustee and the reasonable fees and disbursements of counsel for any Trustee in

connection with any Indenture and the Designated Securities; (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Designated Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of aircraft and other transportation chartered in connection with the road show; and (xi) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section 5. It is understood, however, that, except as provided in this Section 5, and Sections 7 and 10 hereof, the Underwriters will pay all of their own costs and expenses, including the fees and expenses of their counsel, transfer taxes on resale of any of the Designated Securities by them, and any advertising or roadshow expenses connected with any offers they may make.

6. The obligations of the Underwriters under this Agreement shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in this Agreement are, at and as of the Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed and the following additional conditions:

(a) The Statutory Prospectus and the Prospectus as amended or supplemented shall each have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act, without reliance on Rule 424(b)(8), and in accordance with Section 4(a) hereof; no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction; and no order, ruling or decision of any court or Canadian securities regulatory authority restricting or ceasing trading in any of the securities of the Company or suspending or preventing the use of the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum has been instituted or threatened by a Canadian securities regulatory authority.

(b) (x) U.S. counsel for the Underwriters shall have furnished to the Representatives such written opinion or opinions, dated the Time of Delivery, with respect to the valid existence of the Company, the validity of the Designated Securities, the Registration Statement, the General Disclosure Package, the Prospectus and such other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(y) Canadian counsel for the Underwriters shall have furnished to the Representatives such customary written opinion or opinions, dated the Time of Delivery, with respect to the private placement in Ontario as the Underwriters may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(c) The Company shall have paid the required Commission filing fees relating to the Designated Securities within the time period required by Rule 456(b)(1)(i) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act, and, if applicable, shall have updated the "Calculation of Registration Fee" table in accordance with Rule 456(b)(1)(ii) either in a post-effective amendment to the Registration Statement or on the cover page of a prospectus filed pursuant to Rule 424(b).

(d) (x) King & Spalding LLP, special counsel for the Company, shall have furnished to the Representatives their written opinion, dated the Time of Delivery, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) The Company is a corporation validly existing and in good standing under the laws of the State of Delaware with the corporate power and authority under such laws to own its properties and conduct its business as described in the General Disclosure Package and the Prospectus.

(ii) The Indenture has been duly authorized, executed and delivered by the Company; the Indenture constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally and to the effect of general principles of equity. The Indenture has been duly qualified under the Trust Indenture Act.

(iii) The Designated Securities have been duly authorized and, when executed, authenticated, issued and delivered in the manner provided for in the Indenture against payment therefor as provided in this Agreement, will (A) constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally and to the effect of general principles of equity and (B) be entitled to the benefits of the Indenture. The Designated Securities and the Indenture conform or will conform, as applicable, in all material respects to the descriptions thereof in the General Disclosure Package and the Prospectus.

(iv) The execution, delivery and performance of the Indenture and this Agreement by the Company, the issuance and sale of the Designated Securities by the Company and the consummation of the transactions contemplated herein and therein by the Company (a) do not and will not result in any violation of the certificate of incorporation or bylaws of the Company and (b) do not and will not result in a breach or violation by the Company of any of the terms and provisions of, or constitute a default by the Company under, any agreement or other instrument binding upon the Company or any Significant Subsidiary filed or incorporated by reference as an exhibit to the Registration Statement or the documents incorporated by reference therein. The Company has the corporate power and authority to issue and sell the Designated Securities as contemplated by this Agreement.

(v) The execution, delivery and performance of the Indenture, this Agreement and the issuance and sale of the Designated Securities by the Company and the consummation of the transactions contemplated herein and therein by the Company do not and will not result in a violation of any existing material law, rule or regulation applicable to the Company.

(vi) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required to be obtained by the Company for the issuance, sale and delivery of the Designated Securities by the Company or for the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained and made under the Act and the Trust Indenture Act and such as may be required under state securities laws.

(vii) This Agreement has been duly authorized, executed and delivered by the Company.

(viii) The Registration Statement has become effective under the Act, and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending under the Act; and the Registration Statement, as of its effective date, and the Prospectus, as amended or supplemented as of its issue date and the Time of Delivery, complied as to form in all material respects with the requirements of the Act, the Trust Indenture Act and the Rules and Regulations (in each case other than the financial statements and notes thereto, the financial statement schedules and other financial data and Form T-1 included or incorporated by reference therein).

(ix) The Company is not required, and upon the issuance and sale of the Designated Securities as herein contemplated and the application of the net proceeds therefrom as described in the Prospectus will not be required, to register as an "investment company" under the 1940 Act.

(x) Each document filed pursuant to the Exchange Act, and incorporated by reference in the Prospectus, when such document was filed with the Commission, complied as to form in all material respects with the Exchange Act and the rules and regulations thereunder (in each case other than the financial statements and notes thereto, the financial statement schedules and other financial data included or incorporated by reference therein).

In addition, such counsel shall state that, in its capacity as counsel for the Company, it has rendered legal advice and assistance in connection with the Company's preparation of the Registration Statement, the General Disclosure Package and the Prospectus. Rendering such assistance included, among other things, discussions and inquiries concerning various legal matters, the review of certain documents, and participating in conferences with officers and other representatives of the Company, representatives of the Company's independent auditors and representatives of the Underwriters and their counsel during which the contents of the Registration Statement, the General Disclosure Package and the Prospectus and related matters were discussed and reviewed. Such counsel shall state that although it is not passing upon and does do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the General Disclosure Package or the Prospectus as amended or supplemented, except as set forth in subsection (d)(iii) above, on the basis of the information that was developed in the course of the performance of the services referred to above, nothing has come to its attention that causes it to believe that (a) any part of the Registration Statement, when such part

became effective, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading (b) that the General Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (c) the Prospectus, or any further amendment or supplement thereto made by the Company, as of the issue date thereof and as of the Time of Delivery, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; except that, with respect to clauses (a), (b) and (c), such counsel does not express a belief with respect to the financial statements and notes thereto and the financial statement schedules and other financial data included or incorporated by reference therein or omitted therefrom, and with respect to clause (a), such counsel does not express a belief with respect to the Form T-1.

(y) Blake, Cassels & Graydon LLP, special counsel for the Company, shall have furnished to the Representatives their written opinion, dated the Time of Delivery, in form and substance reasonably satisfactory to the Representatives, to the effect that the offer and sale of the Designated Securities by the Underwriters to purchasers in the provinces of Alberta, British Columbia, Ontario and Quebec, in which sales of Designated Securities were made, in accordance with this Agreement, are exempt from the prospectus requirements of applicable Canadian securities laws and no prospectus is required nor are other documents required to be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities obtained under the securities laws of such provinces to permit the issuance and sale of the Designated Securities by the Company to the Underwriters and the offer and sale of the Designated Securities by the Underwriters to the purchasers in those provinces, except for the filing with the relevant securities regulatory authority of a report of exempt distribution on Form 45-106F1 or equivalent required under applicable Canadian securities laws accompanied by the prescribed fees, and, where applicable, the Canadian Offering Memorandum, within the applicable time periods for the provision or filing thereof.

(e) A representative of the Legal Department of the Company satisfactory to the Representatives shall have furnished to the Representatives his or her written opinion, dated the Time of Delivery, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(i) The Company is duly qualified to do business as a foreign corporation in good standing in each jurisdiction in which it owns or leases material properties or in which the conduct of its business requires such qualification and in which the failure to be so qualified would result in a Material Adverse Change.

(ii) Each subsidiary of the Company that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X under the Act (each a "Significant Subsidiary"), has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus and is duly qualified to transact business as a

foreign corporation and is in good standing in each jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not result in a Material Adverse Change.

(iii) The statements in (a) the documents incorporated by reference into the General Disclosure Package, the Canadian Offering Memorandum or the Prospectus under the captions "Government Regulation" and "Legal Proceedings" in the Company's most recently filed Annual Report on Form 10-K and Part II, Item 1 of the Company's subsequently filed Quarterly Reports on Form 10-Q, if any (or comparable paragraphs under the caption "Liquidity and Capital Resources" in Part I, Item 2 of such Quarterly Reports or Form 10-Q, as the case may be), and (b) the Registration Statement under Item 15, insofar as such statements purport to constitute summaries of the documents (or provisions thereof), statutes (or provisions thereof) or legal proceedings referred to therein, fairly present the information required to be described with respect to such documents (or provisions thereof), statutes (or provisions thereof) or legal proceedings and accurately summarize in all material respects such documents (or provisions thereof), statutes (or provisions thereof) or legal proceedings.

(iv) To the knowledge of such counsel, (a) there are no legal or governmental proceedings pending or threatened to which the Company or any Significant Subsidiary is a party, or to which any of the properties of the Company or any Significant Subsidiary is subject, that are required to be described in the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum or the Prospectus and are not so described, and (b) there are no statutes, regulations or contracts that are required to be described in the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(v) The execution, delivery and performance of the Indenture, this Agreement and the issuance and sale of the Designated Securities by the Company and the consummation of the transactions contemplated herein and therein by the Company do not and will not result in a violation of any material judgment, order, writ, injunction or decree known to such counsel of any governmental authority or court having jurisdiction over the Company.

(f) As of the date hereof, the Representatives shall have received from Deloitte & Touche LLP a letter dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Prospectus and the Canadian Offering Memorandum.

At the Time of Delivery, the Representatives shall have received from Deloitte & Touche LLP a letter, dated as of the Time of Delivery, to the effect that they reaffirm the statements made in the letter furnished pursuant to the first paragraph of this subsection (f), except that the specified date referred to shall be a date not more than three business days prior to the Time of Delivery.

(g) Since the execution and delivery of this Agreement, neither the Company nor any of its subsidiaries shall have sustained any loss or interference with its business from any calamity, labor dispute or court or governmental action, order or decree, other than as set forth in or contemplated by the Registration Statement, the General Disclosure Package, the Canadian Offering Memorandum and the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), and there shall not have been any change in the capital stock (other than changes due to (i) repurchases of common stock of the Company pursuant to previously announced stock repurchase programs, (ii) issuances or other transfers of capital stock in the ordinary course of business pursuant to the Company's employee benefit plans and (iii) conversions of shares of the Company's class A common stock into shares of the Company's class B common stock) or a material increase in the long-term debt of the Company and its subsidiaries taken as a whole or any change, or any development reasonably likely to result in a change, in or affecting the business, financial condition, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the General Disclosure Package, the Canadian Offering Memorandum or the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) reviewed by the Representatives at the time of execution and delivery of this Agreement, the effect of which in any such case is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the General Disclosure Package.

(h) On or after the date of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" registered with the SEC pursuant to Section 15E of the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock.

(i) On or after the date of this Agreement there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal, New York State or Canadian authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States or Canada; (iv) the outbreak or escalation of hostilities involving the United States or Canada or the declaration by the United States or Canada of a national emergency or war or (vi) the occurrence of any other calamity or crisis or any material adverse change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the General Disclosure Package.

(j) The Company shall have complied with the provisions of Section 4(c) hereof.

(k) As of the Time of Delivery, the Company shall have met all requirements of CDS Clearing and Depositary Services Inc. necessary to make use of its book-entry system.

(l) As at the Time of Delivery, BNY Trust Company Canada at its principal office will be duly appointed as the paying agent in connection with the Designated Securities.

(m) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery a certificate or certificates of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of the Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to the Time of Delivery, as to the matters set forth in subsections (a) and (h) of this Section 6 and as to such other matters as the Representatives may reasonably request.

7. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Statutory Prospectus, the Prospectus, the Canadian Offering Memorandum, or any amendment or supplement thereto, or the General Disclosure Package or any Issuer Free Writing Prospectus, or any amendment or supplement thereto or any related preliminary prospectus, relating to the Designated Securities, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any of such documents in reliance upon and in conformity with written information furnished to the Company by such Underwriter of Designated Securities through the Representatives expressly for use therein relating to the Designated Securities.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, described in the indemnity contained in subsection (a) of this Section 7, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Statutory Prospectus, the Prospectus, the Preliminary Canadian Offering Memorandum, the Canadian Offering Memorandum, or any amendment or supplement thereto or any related preliminary prospectus, including any pricing supplement, relating to the Designated Securities, or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection.

In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such proceeding or the indemnifying party shall not have, within a reasonable period of time in light of the circumstances, employed counsel to defend such proceeding or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from, additional to or in conflict with those available to such indemnifying party (in which case such indemnifying party shall not have the right to direct the defense of such proceeding on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by such indemnifying party and paid as incurred (it being understood, however, that such indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one proceeding or series of related proceedings in the same jurisdiction representing the indemnified parties who are parties to such proceeding).

No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative

fault of the Company on the one hand and the Underwriters of the Designated Securities on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Designated Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to the Designated Securities and not joint.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 7 shall be several in proportion to their respective underwriting obligations with respect to the Designated Securities and not joint and in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

8. (a) If any Underwriter shall default in its obligation to purchase the Designated Securities which it has agreed to purchase under this Agreement, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Designated Securities on the terms contained herein. If within 36 hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Designated Securities, then the Company shall be entitled to a further period of 36 hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Designated Securities on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Designated Securities, or the Company notifies the Representatives that it has so arranged for

the purchase of such Designated Securities, the Representatives or the Company shall have the right to postpone the Time of Delivery for such Designated Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Statutory Prospectus, the Prospectus, the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum or the as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement, the Statutory Prospectus, the Prospectus, the Preliminary Canadian Offering Memorandum or the Canadian Offering Memorandum which in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 8 with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of such Designated Securities which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Designated Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Designated Securities which such Underwriter agreed to purchase pursuant to this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Designated Securities which such Underwriter agreed to purchase pursuant to this Agreement) of the Designated Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Designated Securities which remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Designated Securities, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Designated Securities of a defaulting Underwriter or Underwriters, then this Agreement relating to such Designated Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 5 hereof and the indemnity and contribution agreements in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Designated Securities.

10. If this Agreement shall be terminated pursuant to Section 8 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Designated Securities except as provided in Sections 5 and 7 hereof; but, if for any other reason Designated Securities

are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including the reasonable fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Designated Securities, but the Company shall then be under no further liability to any Underwriter with respect to such Designated Securities except as provided in Sections 5 and 7 hereof.

11. In all dealings hereunder, the Representatives of the Underwriters of Designated Securities shall act on behalf of each of such Underwriters, and any such action taken by such Representatives shall be binding upon such Underwriters. The parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in Schedule I to this Agreement. The execution of this Agreement by each Underwriter constitutes agreement to, and acceptance of, this Section 11.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the address of the Representatives as set forth in Schedule I to this Agreement; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement: Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 7(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

12. The Company acknowledges and agrees that (a) the purchase and sale of the Designated Securities pursuant to this Agreement, including the determination of the public offering price of the Designated Securities and any related discounts and commissions, is an arms-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, or its stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

13. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L.107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 7 and 9 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Designated Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, "business day" shall mean any day (i) when the Commission's office in Washington, DC is open for business and (ii) other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

18. The Company is authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, and all materials of any kind (including tax opinions and other tax analyses) related to those benefits, without the Underwriters imposing any limitation of any kind.

[*Signature page follows*]

If the foregoing is in accordance with your understanding, please sign and return to us four counterparts hereof, and upon acceptance hereof by the Underwriters, this Agreement shall constitute a binding agreement between each of the Underwriters and the Company.

Very truly yours,

United Parcel Service, Inc.

By: /s/ Richard N. Peretz
Name: Richard N. Peretz
Title: Senior Vice President, Chief Financial Officer and Treasurer

Accepted as of the date hereof:

Merrill Lynch Canada Inc.

By: /s/ Jamie W. Hancock
Name: Jamie W. Hancock
Title: Managing Director

HSBC Securities (Canada) Inc.

By: /s/ David Loh
Name: David Loh
Title: Director

TD Securities Inc.

By: /s/ Brian Pong
Name: Brian Pong
Title: Vice President

J.P. Morgan Securities Canada Inc.

By: /s/ David Rawlings
Name: David Rawlings
Title: Managing Director

BNP Paribas (Canada) Securities Inc.

By: /s/ Dany Blanchette
Name: Dany Blanchette
Title: Director

Barclays Capital Inc.

By: /s/ Kenneth Chang
Name: Kenneth Chang
Title: Managing Director

Citigroup Global Markets Inc.

By: /s/ Adam D. Bordner
Name: Adam D. Bordner
Title: Vice President

SG Americas Securities, LLC

By: /s/ Andrew Menzies
Name: Andrew Menzies
Title: Managing Director

Goldman Sachs & Co. LLC

By: /s/ Ryan Gilliam
Name: Ryan Gilliam
Title: Vice President

Wells Fargo Securities Canada, Ltd.

By: /s/ Stephen Shapiro
Name: Stephen Shapiro
Title: Managing Director

Morgan Stanley Canada Limited

By: /s/ George Yao
Name: George Yao
Title: Executive Director

UBS Securities LLC

By: /s/ Christian Stewart
Name: Christian Stewart
Title: Managing Director
UBS Investment Bank

By: /s/ Prath Reddy
Name: Prath Reddy
Title: Associate Director
UBS Securities LLC

SCHEDULE I

Representatives of the Several Underwriters:

Merrill Lynch Canada Inc.
181 Bay St. Suite 400
Toronto, Ontario
Canada M5J 2V8

HSBC Securities (Canada) Inc.
70 York Street, 9th Floor
Toronto, ON
M5J 1S9
Facsimile: 416-364-2543

TD Securities Inc.
Ernst & Young Tower,
222 Bay Street, 7th Floor,
Toronto, ON M5K 1A2
Facsimile: 416-308-3715

SCHEDULE II

Underwriter	Principal Amount of 2.125% Senior Notes due 2024 to be Purchased
Merrill Lynch Canada Inc.	C$157,500,000
HSBC Securities (Canada) Inc.	C$112,500,000
TD Securities Inc.	C$ 75,000,000
Barclays Capital Inc.	C$ 45,000,000
BNP Paribas (Canada) Securities Inc.	C$ 45,000,000
Citigroup Global Markets Inc.	C$ 45,000,000
Goldman Sachs & Co. LLC	C$ 45,000,000
J.P. Morgan Securities Canada Inc.	C$ 45,000,000
Morgan Stanley Canada Limited	C$ 45,000,000
SG Americas Securities, LLC	C$ 45,000,000
UBS Securities LLC	C$ 45,000,000
Wells Fargo Securities Canada, Ltd.	C$ 45,000,000
Total	C$750,000,000

SCHEDULE III

United Parcel Service, Inc.

2.125% Senior Notes due 2024 (the "Notes")

The initial public offering price of the Notes shall be 99.812% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

The purchase price to be paid by the Underwriters for the Notes shall be 99.442% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

SCHEDULE IV

Registration Statement
No. 333-214056
May 15, 2017

United Parcel Service, Inc.

FINAL TERM SHEET

Security Offered:	2.125% Senior Notes due 2024 (the "Notes"), which are being offered in Canada by Private Placement
Issuer:	United Parcel Service, Inc. (the "Company")
Ranking:	The Notes will be senior unsecured obligations of the Company and will rank equally and pari passu with all other unsecured and unsubordinated debt of the Company.
Expected Ratings:* (Moody's/S&P)	A1/A+ (stable/negative)
Principal Amount:	C$750,000,000
Trade Date:	May 15, 2017
Settlement Date:	May 18, 2017 (T+3)
Maturity Date:	May 21, 2024
Coupon Payment Dates:	Payable semi-annually in arrears in equal installments on the 21st day of every May and November commencing on November 21, 2017. The first interest payment will be a long first coupon payable on November 21, 2017 and will be in the amount of C$8,099,743.15, such payment being the equivalent of C$ 10.79965753 per C$1,000 of principal amount outstanding. If not a business day in New York or Toronto then payment of a coupon or upon maturity will be made on the next business day with no adjustment (Following Business Day Convention).
Benchmark Bond:	CAN 2.50% due June 1, 2024
Benchmark Price/ Yield:	C$108.14; 1.287%
Re-Offer Spread:	+ 87.0 basis points versus the Government of Canada curve ("GoC")
	+ 86.7 basis points versus the CAN 2.50% due June 1, 2024 which includes the curve adjustment of-0.3 basis points.
Canada Curve Definition:	CAN 1.50% due June 1, 2023 and CAN 2.50% due June 1, 2024
Issue Yield:	2.154%
Coupon (Interest Rate):	2.125%
Price to Public:	C$99.812
Minimum Denominations:	The Notes will be issued in denominations of C$1,000 and in integral multiples of C$1,000.

Optional Redemption:	The Notes will be redeemable at the Company's option, in whole or in part, from time to time, prior to March 21, 2024, the date that is two months prior to maturity (the "Par Call Date") at GoC + 21.5 basis points; on or after the Par Call Date at par.
CUSIP/ISIN:	911312BD7 / CA911312BD72
Day Count Convention:	Actual/365 (Fixed) when calculating interest accruals during any partial interest period and 30/360 when calculating amounts due on any interest payment date (also known as the Actual/Actual Canadian Compound Method).
Settlement/Form:	CDS Clearing and Depository Services Inc. / Book-Entry (Global Note)
Governing Law:	New York
Use of Proceeds:	The Company expects to use the net proceeds of this offering for general corporate purposes, including the repayment of commercial paper.
Listing:	None
Form of Distribution:	The distribution of the Notes is being made on a private placement basis to purchasers in each of the provinces of Canada (the "Offering Jurisdictions") under a Canadian offering memorandum dated May 15, 2017 (the "Canadian Offering Memorandum"), which will include the U.S. prospectus dated October 11, 2016, as supplemented by a U.S. prospectus supplement dated May 15, 2017 that form part of the registration statement filed with the United States Securities and Exchange Commission. The distribution will be made in reliance on statutory exemptions from the prospectus requirements of Canadian securities laws applicable in each of the Offering Jurisdictions and, in particular, the Notes will only be sold in: a) the province of Alberta, pursuant to the "accredited investor exemption" (as defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106")) and therefore only to purchasers that are "accredited investors" (as such term is defined in NI 45-106) who purchase the Notes as principal (or are deemed to be purchasing as principal) that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations) and was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; and b) the Offering Jurisdictions other than the province of Alberta, pursuant to the C$150,000 minimum amount investment exemption, and therefore only to purchasers that are not individuals and that are purchasing as principal, Notes with an acquisition cost to each purchaser of not less than C$150,000 paid in cash at the time of closing, unless such a purchaser is a person acting on behalf of a fully managed account described in paragraph (p) or (q) of the definition of "accredited investor" in section 1.1 of NI 45-106 in which case the Notes may only be sold on a private placement basis to such purchaser pursuant to the "accredited investor exemption".

Resale Restrictions:	Resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws, which may vary depending on the province. The Company is not a reporting issuer in any province or territory of Canada. Prospective purchasers should consult their own independent legal advisors with respect to such restrictions. The Notes are a new issue of securities for which no established trading market exists. If an active trading market does not develop for the Notes, investors may not be able to resell them. The issuer currently has no intention of listing the Notes on any exchange or becoming a reporting issuer in Canada in the foreseeable future.
Joint Book-Running Managers:	BofA Merrill Lynch HSBC TD Securities
Co-Managers:	Barclays BNP PARIBAS Citigroup Goldman Sachs & Co. LLC J.P. Morgan Securities Canada Inc. Morgan Stanley SOCIETE GENERALE UBS Investment Bank Wells Fargo Securities

SECTION 1. **The foregoing description is a summary of certain material provisions of the Notes. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Canadian Offering Memorandum. Prospective purchasers should review the Canadian Offering Memorandum for a detailed description of the Notes. No person has been authorized to make any representation in connection with the offering other than as contained in the Canadian Offering Memorandum, and the issuer and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.**

To the extent any underwriter that is not a U.S. registered broker-dealer intends to effect sales of notes in the United States, it will do so through one or more U.S. registered broker-dealers in accordance with the applicable U.S. securities laws and regulations.

***Note: An explanation of the significance of ratings may be obtained from the ratings agencies. Generally, ratings agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The security ratings above are not a recommendation to buy, sell or hold the securities offered hereby. The ratings may be subject to review, revision, suspension, reduction or withdrawal at any time by Moody's and S&P. Each of the security ratings above should be evaluated independently of any other security rating.**

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov.

Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus or, if you are in Canada, the Canadian Offering Memorandum which incorporates the prospectus, if you request it by contacting BofA Merrill Lynch toll-free at 1-800-294-1322; HSBC at 416- 868-8242; or TD Securities toll-free at 1-800-263-5292.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

SCHEDULE V

Issuer General Use Free Writing Prospectuses

Final Term Sheet dated May 15, 2017 with respect to the 2.125% Senior Notes due 2024 filed with the Commission pursuant to Rule 433 of the Act.

Exhibit 4.1

SECOND SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of May 18, 2017 (this "Supplemental Indenture"), between United Parcel Service, Inc. (together with its successors and assigns, the "Company"), and The Bank of New York Mellon Trust Company N.A., as successor trustee (the "Trustee") under that certain Indenture between the Company and Citibank, N.A. dated August 26, 2003 (as supplemented or amended, the "Indenture").

WITNESSETH:

WHEREAS, the Company desires to amend the Indenture as provided herein;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Company and the Trustee are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder, provided that, if any change in this Supplemental Indenture affects in any material respect the interests of the Holders of any securities of any series issued prior to the date of this Supplemental Indenture and outstanding at the date of this Supplemental Indenture, such change shall become effective with respect to such securities only when no such securities of such series remain outstanding; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make it a valid and binding obligation of the parties hereto have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision hereof.

ARTICLE II

MODIFICATIONS TO INDENTURE

SECTION 2.1. The definition of "Depositary" in Section 1.01 of the Indenture is hereby amended and restated in its entirety to read as follows:

"DEPOSITARY" means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency that is designated to act as Depositary for such Securities as contemplated by Section 3.01.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. This Supplemental Indenture is executed by the Company and the Trustee pursuant to provisions of Section 9.01 of the Indenture and the terms and conditions hereof shall be deemed to be a part of the terms and conditions of the Indenture for any and all purposes.

SECTION 3.2. This Supplemental Indenture shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

SECTION 3.3. This Supplemental Indenture may be simultaneously executed in any number of counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement.

SECTION 3.4. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities hereafter authenticated and delivered shall be bound hereby. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee, including but not limited to its right to be compensated, reimbursed and indemnified, shall be applicable in respect of this Supplemental Indenture as fully and with like force and effect as though fully set forth herein. The Trustee shall not be responsible in any manner whatsoever for and makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or in respect to recitals contained herein, which are made solely by the Company.

SECTION 3.5. The headings of the Articles and the sections in this Supplemental Indenture are for convenience of reference only, are not part of this Supplemental Indenture and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature page follows]

COMPANY:

UNITED PARCEL SERVICE, INC.

By: /s/ Richard N. Peretz
Name: Richard N. Peretz
Title: Senior Vice President, Chief Financial Officer and Treasurer

TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: /s/ R. Tarnas
Name: R. Tarnas
Title: Vice President

Exhibit 4.2

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO UNITED PARCEL SERVICE, INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE INDENTURE) OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY SECURITY AUTHENTICATED AND DELIVERED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS SECURITY WILL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNITED PARCEL SERVICE, INC.

No. [•] C$[•]
CUSIP: 911312BD7
ISIN: CA911312BD72

2.125% Senior Notes due 2024

United Parcel Service, Inc., a corporation duly organized and existing under the laws of Delaware (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to CDS & CO., or registered assigns, the principal sum of [•] (C$[•]), or such other principal amount as may be set forth in the records of the Securities Registrar hereinafter referred to in accordance with the Indenture, on May 21, 2024 and to pay interest thereon from May 18, 2017, or from the most recent date to which interest has been paid or duly provided for, semi-annually in arrears on May 21 and November 21 of each year (each an "Interest Payment Date"), commencing on November 21, 2017 at the rate of 2.125% per annum, until the principal hereof is paid or made available for payment.

Interest payable on this Security on any Interest Payment Date, redemption date or maturity date shall be the amount of interest accrued from, and including, the next preceding Interest Payment Date in respect of which interest has been paid or duly provided for (or from and including the original issue date of this Security, if no interest has been paid or duly provided for) to, but excluding, such Interest Payment Date, redemption date or maturity date, as the case may be. If any Interest Payment Date (other than the maturity date) is not a Business Day at the relevant place of payment, the Company will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, except that if such Business Day is in the immediately succeeding calendar month, such Interest Payment Date (other than the maturity date) shall be the immediately preceding Business Day. If the maturity date of the Securities is not a Business Day at the relevant place of payment, the Company will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. The rights of Holders of beneficial interests in the Security to receive the payments of interest on such Security are subject to the applicable procedures of CDS.

The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the fifteenth calendar day, which shall be the close of business on May 6 and November 6 (whether or not a Business Day) immediately preceding the related Interest Payment Date; provided, however, that interest payable on the maturity date or any redemption date shall be payable to the Person to whom the principal of this Security shall be payable. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one

or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be set by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation or executive order to close in Toronto, Ontario, Canada or New York, New York, United States.

The term "maturity," when used with respect to a Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein provided or as provided in the Indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

All payments of Maturity Consideration and interest will be made in the lawful currency of Canada ("CAD").

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

UNITED PARCEL SERVICE, INC.

Attest:

REVERSE OF SECURITY

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of August 26, 2003 (as supplemented, herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor to Citibank, N.A.), as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

Optional Redemption

The Securities are redeemable at any time and from time to time prior to March 21, 2024 (the "Par Call Date") as a whole or in part, at the option of the Company, on at least 30 days', but not more than 60 days', prior notice mailed (or otherwise transmitted in accordance with the applicable procedures of CDS) to the registered address of each Holder of the Securities to be redeemed, at a redemption price equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; and (ii) the Canada Yield Price, plus in each case accrued and unpaid interest to the date of redemption and additional amounts, if any.

"Canada Yield Price" means, in respect of any Securities being redeemed, the price, in respect of the Securities, calculated as of the third business day prior to the redemption date of such Securities, equal to the sum of the present values of the remaining scheduled payments of interest (not including any portion of the payments of interest accrued as of the date of redemption) and principal on the Securities to be redeemed from the redemption date to the Par Call Date using a discount rate equal to the Government of Canada Yield on such business day plus 21.5 basis points.

"Government of Canada Yield" means, on any date, the bid-side yield to maturity on such date as determined by the arithmetic average (rounded to three decimal places) of the yields quoted at 10:00 a.m. (Toronto time) by any two investment dealers in Canada selected by the Company, assuming semi-annual compounding and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond maturing on the Par Call Date would carry if issued in Canadian dollars in Canada at 100% of its principal amount on the redemption date.

The Securities will be redeemable at any time on or after the Par Call Date, in whole or in part, at the Company's option, on at least 30 days', but not more than 60 days', prior notice mailed (or otherwise transmitted in accordance with the applicable procedures of CDS) to the registered address of each Holder of the Securities to be redeemed, at a redemption price equal to 100% of the principal amount of the Securities to be redeemed, plus accrued and unpaid interest and additional amounts, if any, on the principal amount of the Securities to be redeemed to, but excluding, the redemption date.

If money sufficient to pay the redemption price of all of the Securities (or portions thereof) to be redeemed on the redemption date is deposited with the trustee or paying agent on or before the redemption date and certain other conditions are satisfied, then on and after such redemption date, interest will cease to accrue on such Securities (or such portion thereof) called for redemption.

On or before the redemption date, the Company will deposit with the paying agent or set aside, segregate and hold in trust (if the Company is acting as paying agent), funds sufficient to pay the redemption price of, and accrued and unpaid interest on, such Securities to be redeemed on that redemption date. If fewer than all of the Securities are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular Securities or portions thereof to be redeemed from the outstanding Securities not previously called for redemption by such method as the trustee deems fair and appropriate; provided that if the Securities are represented by one or more global Securities, beneficial interests in the Securities will be selected for redemption by CDS in accordance with its standard procedures therefor.

The Company may at any time, and from time to time, purchase the Securities at any price or prices in the open market or otherwise.

Payment of Additional Amounts

Subject to the exceptions and limitations set forth below, the Company will pay to or on account of any United States Alien Holder (as defined below) such additional amounts as may be necessary to ensure that every net payment by the Company of the principal of and interest on such Securities, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment, by the United States or any political subdivision or taxing authority of the United States, will be equal to the amount that would have been payable had no such deduction or withholding been required. However, the Company will not pay additional amounts for or on account of:

(a) any such tax, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between the Holder or beneficial owner of a Security (or between a fiduciary, settlor, beneficiary, member or shareholder of such person, if such person is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such person (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein or (ii) the presentation, where required, by the Holder of any such Securities for payment on a date more than 15 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or governmental charge;

(c) any tax, assessment or other governmental charge imposed by reason of the Holder or beneficial owner's past or present status as a personal holding company or foreign personal holding company or controlled foreign corporation or passive foreign investment company for U.S. federal income tax purposes or as a corporation which accumulates earnings to avoid United States federal income tax or as a private foundation or other tax-exempt organization with respect to the United States;

(d) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payments on or in respect of any Security;

(e) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder or beneficial owner of such Security, if such compliance is required by statute or by regulation of the United States or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(f) any tax, assessment or other governmental charge that would not have been imposed but for a failure by the Holder or beneficial owner (or any financial institution through which the Holder or beneficial owner holds any Security or through which payment on the Security is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to, or complying with any requirements imposed under an intergovernmental agreement entered into between the United States and the government of another country in order to implement the requirements of, Sections 1471 through 1474 of the Internal Revenue Code as in effect on the date of issuance of the Securities or any successor or amended version of these provisions, to the extent such successor or amended version is not materially more onerous to comply with than these provisions as enacted on such date;

(g) any tax, assessment or other governmental charge imposed by reason of such beneficial owner's past or present status as the actual or constructive owner of 10% or more of the total combined voting power of all classes of stock entitled to vote of the Company or as a direct or indirect affiliate of the Company;

(h) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Security upon presentation of such Security, where required, if such payment can be made without such deduction or withholding upon presentation of such Security, where required, to any other Paying Agent located in Canada;

(i) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being a bank (i) purchasing the Securities in the ordinary course of its lending business or (ii) that is neither (A) buying the Securities for investment purposes only nor (B) buying the Securities for resale to a third-party that either is not a bank or holding the Securities for investment purposes only; or

(j) any combination of two or more of items (a), (b), (c), (d), (e), (f), (g), (h) and (i),

nor shall additional amounts be paid with respect to any payment on a Security to a United States Alien Holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the United States (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Securities.

The term "United States Alien Holder" means any beneficial owner of a Security that is not, for United States federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate whose income is subject to United States federal income tax regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or if such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person. Except as specifically provided in this instrument, the Company will not be required to make any payment for any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

The Securities are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Securities.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States or of any political subdivision or any taxing authority thereof or therein affecting taxation, or any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced and becomes effective on or after May 18, 2017, the Company becomes or will become obligated to pay additional amounts as described above with respect to the Securities of this series, then the Company may at any time at the Company's option redeem, in whole, but not in part, the Securities of this series on not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of their principal amount, together with any accrued and unpaid interest and additional amounts on the Securities of this series to, but not including, the redemption date. If the Company exercises its option to redeem the Securities of this series pursuant to this paragraph, it shall deliver to the Trustee an Officer's Certificate stating that it is entitled to redeem the Securities of this series and an opinion of independent tax counsel to the effect that the circumstances described in this paragraph exist.

Unless the Company defaults on the payment of the redemption price, on and after the redemption date, interest will cease to accrue on the principal amount of this Security to be redeemed.

Additional Covenants

The Company will not create, assume, incur or guarantee, and will not permit any Restricted Subsidiary to create, assume, incur or guarantee, any Secured Indebtedness without making provision whereby this Security shall be secured equally and ratably with, or prior to, such Secured Indebtedness, together with, if the Company shall so determine, any other Indebtedness of the Company or any Restricted Subsidiary then existing or thereafter created that is not subordinate to this Security, so long as the Secured Indebtedness shall be outstanding, unless such Secured Indebtedness, when added to (a) the aggregate amount of all Secured Indebtedness then outstanding (not including in this computation Secured Indebtedness if this Security is secured equally and ratably with (or prior to) such Secured Indebtedness and further not including in this computation any Secured Indebtedness that is concurrently being retired) and (b) the aggregate amount of all Attributable Debt then outstanding pursuant to Sale and Leaseback Transactions entered into by the Company after January 26, 1999, or entered into by a Restricted Subsidiary after January 26, 1999 or, if later, the date on which it became a Restricted Subsidiary (not including in this computation any Attributable Debt that is concurrently being retired), would not exceed 10% of Consolidated Net Tangible Assets.

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless (a) the sum of (i) the Attributable Debt to be outstanding pursuant to such Sale and Leaseback Transaction, (ii) all Attributable Debt then outstanding pursuant to all other Sale and Leaseback Transactions entered into by the Company after January 26, 1999, or entered into by a Restricted Subsidiary after January 26, 1999 or, if later, the date on which it became a Restricted Subsidiary, and (iii) the aggregate of all Secured Indebtedness then outstanding (not including in this computation Secured Indebtedness if this Security is secured equally and ratably with (or prior to) such Secured Indebtedness) would not exceed 10% of Consolidated Net Tangible Assets, or (b) an amount equal to the greater of (i) the net proceeds to the Company or the Restricted Subsidiary of the sale of the Principal Property sold and leased back pursuant to such Sale and Leaseback Transaction and (ii) the amount of Attributable Debt to be outstanding pursuant to such Sale and Leaseback Transaction is applied to the retirement of Funded Debt of the Company or any Restricted Subsidiaries (other than Funded Debt that is subordinate to this Security or is owing to the Company or any Restricted Subsidiaries or is scheduled to mature within one year after consummation of such Sale and Leaseback Transaction) within 180 days after the consummation of such Sale and Leaseback Transaction.

Default in the performance, or breach, of either of the covenants set forth in the preceding two paragraphs will be an “Event of Default” under Section 5.01 of the Indenture, and the covenants set forth in the preceding two paragraphs will be subject to defeasance in accordance with Section 13.03 of the Indenture.

“Attributable Debt” means, as of the date of its determination, the present value (discounted semiannually at an interest rate of 7.0% per annum) of the obligation of a lessee for rental payments pursuant to any Sale and Leaseback Transaction (reduced by the amount of the

rental obligations of any sublessee of all or part of the same property) during the remaining term of such Sale and Leaseback Transaction (including any period for which the lease relating thereto has been extended), such rental payments not to include amounts payable by the lessee for maintenance and repairs, insurance, taxes, assessments and similar charges and for contingent rents (such as those based on sales). In the case of any Sale and Leaseback Transaction in which the lease is terminable by the lessee upon the payment of a penalty, such rental payments shall be considered for purposes of this definition to be the lesser of the discounted values of (a) the rental payments to be paid under such Sale and Leaseback Transaction until the first date (after the date of such determination) upon which it may be so terminated plus the then applicable penalty upon such termination, and (b) the rental payments required to be paid during the remaining term of such Sale and Leaseback Transaction (assuming such termination provision is not exercised).

"Capitalized Lease Obligation" means any obligation to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property that is required to be classified and accounted for as a capital lease obligation under generally accepted accounting principles, and, for the purposes of this Security, the amount of such obligation at any date shall be the capitalized amount thereof at such date, determined in accordance with such principles.

"Consolidated Net Tangible Assets" means at any date, the total assets appearing on the Company's most recently prepared consolidated balance sheet as of the end of the Company's fiscal quarter, prepared in accordance with generally accepted accounting principles, less (a) all current liabilities as shown on such balance sheet and (b) Intangible Assets.

"Funded Debt" means any indebtedness maturing by its terms more than one year from its date of issue, including any indebtedness renewable or extendable at the option of the obligor to a date later than one year from the date of the original issuance thereof.

"Indebtedness" means (a) any liability of any Person (i) for borrowed money, or under any reimbursement obligation relating to a letter of credit, (ii) evidenced by a bond, note, debenture or similar instrument, including a purchase money obligation, given in connection with the acquisition of any businesses, properties or assets of any kind or with services incurred in connection with capital expenditures, other than a trade payable or a current liability arising in the ordinary course of business, or (iii) for the payment of money relating to a Capitalized Lease Obligation, or (iv) for Interest Rate Protection Obligations; (b) any liability of others described in the preceding clause (a) that the Person has guaranteed or that is otherwise its legal liability; and (c) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) and (b) above.

"Intangible Assets" means at any date the value (net of any applicable reserves), as shown on or reflected in the Company's most recently prepared consolidated balance sheet, prepared in accordance with generally accepted accounting principles, of: (a) all trade names, trademarks, licenses, patents, copyrights and goodwill; (b) organizational and development costs; (c) deferred charges (other than prepaid items such as insurance, taxes, interest, commissions, rents and similar items and tangible assets being amortized); and (d) unamortized debt discount and expense, less unamortized premium.

"Interest Rate Protection Obligations" of any Person means the obligations of such Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a floating rate of interest on the same notional amount.

"Liens" means any mortgage, lien, pledge, security interest, charge or encumbrance.

"Principal Property" means any land, land improvements, buildings and associated factory, distribution, laboratory and office equipment (excluding any motor vehicles, aircraft, mobile materials handling equipment, data processing equipment and rolling stock) constituting a distribution facility, operating facility, manufacturing facility, development facility, warehouse facility, service facility or office facility (including any portion thereof), which facility (a) is owned by or leased to the Company or any Restricted Subsidiary, (b) is located within the United States and (c) has an acquisition cost plus capitalized improvements in excess of 0.50% of Consolidated Net Tangible Assets as of the date of such determination, other than (i) any such facility, or portion thereof, which has been financed by obligations issued by or on behalf of a State, a Territory or a possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, the interest on which is excludable from gross income of the holders thereof (other than a "substantial user" of such facility or a "related Person" as those terms are used in Section 103 of the Internal Revenue Code of 1986, as amended (the "Code")) pursuant to the provisions of Section 103 of the Code (or any similar provision hereafter enacted) as in effect at the time of issuance of such obligations, (ii) any such facility that the Board of Directors may by Board Resolution declare is not of material importance to the Company and the Restricted Subsidiaries taken as a whole and (iii) any such facility, or portion thereof, owned or leased jointly or in common with one or more Persons other than the Company and any Subsidiary and in which the interest of the Company and all Subsidiaries does not exceed 50%.

"Restricted Securities" means any shares of the capital stock or Indebtedness of any Restricted Subsidiary.

"Restricted Subsidiary" means (a) any Subsidiary (i) which has substantially all its property within the United States of America, (ii) which owns or is a lessee of any Principal Property and (iii) in which the investment of the Company and all other Subsidiaries exceeds 0.50% of Consolidated Net Tangible Assets as of the date of such determination; provided, however, that the term "Restricted Subsidiary" shall not include: (A) any Subsidiary (x) primarily engaged in the business of purchasing, holding, collecting, servicing or otherwise dealing in and with installment sales contracts, leases, trust receipts, mortgages, commercial paper or other financing instruments, and any collateral or agreements relating thereto, including in the business, individually or through partnerships, of financing, whether through long- or short-term borrowings, pledges, discounts or otherwise, the sales, leasing or other operations of the Company and the Subsidiaries or any of them, or (y) engaged in the business of financing the assets and operations of third parties, and (z) in any case, not, except as incidental to such financing business, engaged in owning, leasing or operating any property which, but for this proviso, would qualify as Principal Property or (B) any Subsidiary acquired or organized after January 26, 1999, for the purpose of acquiring the stock or business or assets of any Person other than the Company or any Restricted Subsidiary, whether by merger, consolidation, acquisition of

stock or assets or similar transaction analogous in purpose or effect, so long as such Subsidiary does not acquire by merger, consolidation, acquisition of stock or assets or similar transaction analogous in purpose or effect all or any substantial part of the business or assets of the Company or any Restricted Subsidiary; and (b) any other Subsidiary that is hereafter designated by the Board of Directors as a Restricted Subsidiary.

"Sale and Leaseback Transaction" means any arrangement with any Person providing for the leasing by the Company or any Restricted Subsidiary of any Principal Property (whether such Principal Property is now owned or hereafter acquired) that has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person, other than (a) leases for a term, including renewals at the option of the lessee, of not more than three years; (b) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries and (c) leases of Principal Property executed by the time of, or within 180 days after the latest of, the acquisition, the completion of construction or improvement (including any improvements on property that will result in such property becoming a Principal Property), or the commencement of commercial operation of such Principal Property.

"Secured Indebtedness" means (a) Indebtedness of the Company or a Restricted Subsidiary that is secured by any Lien upon any Principal Property or Restricted Securities, and (b) Indebtedness of the Company or a Restricted Subsidiary in respect of any conditional sale or other title retention agreement covering Principal Property or Restricted Securities; but "Secured Indebtedness" shall not include any of the following:

(a) Indebtedness of the Company and the Restricted Subsidiaries outstanding on January 26, 1999, secured by then existing Liens upon, or incurred in connection with conditional sales agreements or other title retention agreements with respect to Principal Property or Restricted Securities;

(b) Indebtedness that is secured by (i) purchase money Liens upon Principal Property acquired after January 26, 1999, (ii) Liens placed on Principal Property after January 26, 1999, during construction or improvement thereof (including any improvements on property which will result in such property becoming Principal Property) or placed thereon within 180 days after the later of acquisition, completion of construction or improvement or the commencement of commercial operation of such Principal Property or improvement, or placed on Restricted Securities acquired after January 26, 1999 or (iii) conditional sale agreements or other title retention agreements with respect to any Principal Property or Restricted Securities acquired after January 26, 1999, if (in each case referred to in this subparagraph (b)) (x) such Lien or agreement secures all or any part of the Indebtedness incurred for the purpose of financing all or any part of the purchase price or cost of construction of such Principal Property or improvement or Restricted Securities and (y) such Lien or agreement does not extend to any Principal Property or Restricted Securities other than the Principal Property so acquired or the Principal Property, or portion thereof, on which the property so constructed or such improvement is located; provided, however, that the amount by which the aggregate principal amount of Indebtedness secured by any such Lien or agreement exceeds the cost to the Company or such Restricted Subsidiary of the related acquisition, construction or improvement will be considered to be "Secured Indebtedness;"

(c) Indebtedness that is secured by Liens on Principal Property or Restricted Securities, which Liens exist at the time of acquisition (by any manner whatsoever) of such Principal Property or Restricted Securities by the Company or a Restricted Subsidiary;

(d) Indebtedness of Restricted Subsidiaries owing to the Company or any other Restricted Subsidiary and Indebtedness of the Company owing to any Restricted Subsidiary;

(e) In the case of any corporation that becomes (by any manner whatsoever) a Restricted Subsidiary after January 26, 1999, Indebtedness that is secured by Liens upon, or conditional sale agreements or other title retention agreements with respect to, its property that constitutes Principal Property or Restricted Securities, which Liens exist at the time such corporation becomes a Restricted Subsidiary;

(f) Guarantees by the Company of Secured Indebtedness and Attributable Debt of any Restricted Subsidiaries and guarantees by a Restricted Subsidiary of Secured Indebtedness and Attributable Debt of the Company and any other Restricted Subsidiaries;

(g) Indebtedness arising from any Sale and Leaseback Transaction;

(h) Indebtedness secured by Liens on property of the Company or a Restricted Subsidiary in favor of the United States of America, any State, Territory or possession thereof, or the District of Columbia, or any department, agency or instrumentality or political subdivision of the United States of America or any State, Territory or possession thereof, or the District of Columbia, or in favor of any other country or any political subdivision thereof, if such Indebtedness was incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Lien; provided, however, that the amount by which the aggregate principal amount of Indebtedness secured by any Lien exceeds the cost to the Company or the Restricted Subsidiary of the related acquisition or construction will be considered to be “Secured Indebtedness”;

(i) Indebtedness secured by Liens on aircraft, airframes or aircraft engines, aeronautic equipment or computers and electronic data processing equipment; and

(j) The replacement, extension or renewal, or successive replacements, extensions or renewals, of any Indebtedness, in whole or in part, excluded from the definition of “Secured Indebtedness” by subparagraphs (a) through (i) above; provided, however, that no Lien securing, or conditional sale or title retention agreement with respect to, such Indebtedness will extend to or cover any Principal Property or any Restricted Securities, other than such property that secured the Indebtedness so replaced, extended or renewed, plus improvements on or to any such Principal Property, provided further, however, that to the extent that such replacement, extension or renewal increases the principal amount

of Indebtedness secured by such Lien or is in a principal amount in excess of the principal amount of Indebtedness excluded from the definition of "Secured Indebtedness" by subparagraphs (a) through (i) above, the amount of such increase or excess will be considered to be "Secured Indebtedness."

In no event shall the foregoing provisions be interpreted to mean that the same Indebtedness is included more than once in the calculation of "Secured Indebtedness" as that term is used in this Security, nor shall their operation cause this result.

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Securities (subject to certain exceptions) or (ii) the Company may be released from its obligation under specified covenants and agreements in the Indenture, in each case if the Company satisfies certain conditions, all as more fully provided in the Indenture. For purposes of such provisions, Canadian government securities shall be used instead of United States government securities in respect of payments due in CAD on the Securities of this series.

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series issued under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made a written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity satisfactory to the trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment or delivery of the Maturity Consideration hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall affect or impair the obligation of the Company, which is absolute and unconditional, to pay the Maturity Consideration and interest on this Security at the times, place and rate, and in the manner, herein prescribed.

As provided in the Indenture and subject to certain limitations set forth therein and in this Security, the transfer of this Security is registrable in the Security Register upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the Maturity Consideration and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company and the Security Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Except in the limited circumstances described in Section 3.05 of the Indenture, this Security shall be issued in the form of one or more Global Securities and a common depositary for the accounts of CDS shall be the Depositary for such Global Security or Securities. Clause 2(A)(ii) of the eighth paragraph of Section 3.05 of the Indenture shall be inapplicable to this Security.

The Securities of this series are issuable only in fully registered book-entry form in minimum denominations of C$1,000 and integral multiples of C$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations set forth therein, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

Notices to Holders of the Securities of this series will be sent by mail or email to the registered Holders, or otherwise in accordance with the procedures of the applicable depositary.

This Security shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflicts of laws of such state.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This is one of the Securities of the series designated herein referred to in the Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

By: _____
Authorized Signatory

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Security and all rights thereunder, hereby irrevocably constituting and appointing to transfer said Security on the books of the Company with full power of substitution in the premises.

By:
Date:

SCHEDULE OF INCREASES OR DECREASES IN SECURITY

The following increases or decreases in this Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Security	Amount of increase in Principal Amount of this Security	Principal Amount of this Security following such decrease or increase	Signature of authorized officer of Trustee or Securities Custodian

OPTION TO ELECT REPAYMENT

If you elect to have this Security purchased by the Company pursuant to the terms of the Security, check the box:

☐

If you want to elect to have only part of this Security purchased by the Company pursuant to the terms of the Security, state the amount in principal amount (must be in denominations of C$1,000 or an integral multiple of C$1,000 in excess thereof): C$ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Securities to be issued to the Holder for the portion of the Security not being repurchased (in the absence of any such specification, one such Security will be issued for the portion not being repurchased): .

Date: _____ Your Signature _____

(Sign exactly as your name appears on the other side of the Security)

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

Exhibit 4.3

SUB-PAYING AGENCY AGREEMENT

Sub Paying Agency Agreement, dated as of May 18, 2017 (this "**Agreement**"), between United Parcel Service, Inc. (the "**Issuer**"), The Bank of New York Mellon Trust Company, N.A., as principal paying agent (in such capacity, the "**Principal Paying Agent**"), The Bank of New York Mellon Trust Company, N.A (in such capacity, the "**Note Trustee**"), and BNY Trust Company of Canada ("**BNY Canada**"), as sub-paying agent (in such capacity, the "**Sub-paying Agent**").

WHEREAS, the Issuer proposes to issue Canadian dollar-denominated 2.125% Senior Notes due 2024 (the "**Canadian Notes**" and individually, a "**Canadian Note**") in the aggregate principal amount of C$750,000,000, on the date hereof, pursuant to the Indenture, dated as of August 26, 2003 (the "**Indenture**"), as supplemented from time to time, between the Issuer and the Note Trustee.

AND WHEREAS, the Issuer requests and the Sub-paying Agent agrees, to perform certain services described herein in connection with the Canadian Notes;

NOW THEREFORE, the Issuer and the Sub-paying Agent agree as follows:

1. **Defined Terms**. Capitalized terms not otherwise defined herein are used herein as defined in the Indenture, as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto.

2. **Appointment of Sub-paying Agent.** (a) The Issuer hereby appoints BNY Canada as Sub-paying Agent with respect to the Canadian Notes, it being acknowledged and agreed by the parties that the Principal Paying Agent will continue to act as principal paying agent under the Indenture with respect to the Canadian Notes. BNY Canada hereby accepts such appointment as the Issuer's Sub-paying Agent for the purpose of performing the services hereinafter described upon the terms and subject to the conditions hereinafter mentioned. In the event of any inconsistency between the Indenture and this Agreement, the terms of this Agreement shall prevail.

(b) Notwithstanding any provision of the Indenture, the Principal Paying Agent hereby acknowledges and accepts all of the provisions of this Agreement and the appointment of the Sub-paying Agent hereunder, and by its execution of this Agreement, acknowledges proper receipt of notice of such appointment and waives any time period required for such notice.

3. **Payment of Interest and Principal.**

(a) All interest payments in respect of the Canadian Notes will be made by the Sub-paying Agent on the relevant Interest Payment Date (as specified in the Final Terms) to the registered Canadian Note holders in whose names the Canadian Notes are registered at the close of business (London Time) on the

Record Date specified in the Canadian Notes next preceding the Interest Payment Date or such other date as is provided in the Canadian Notes. So long as the Canadian Notes are represented by a single global certificate, registered in the name of CDS Clearing and Depository Services Inc. (the "**Canadian Depository**") or its nominee, all interest payments on the Canadian Notes shall be made by the Sub-paying Agent by wire transfer of immediately available funds in Canadian dollars to an account or accounts designated by the Canadian Depository. In the event any Canadian Notes cease to be so represented by a global certificate, the Principal Paying Agent will provide the Sub-paying Agent with a list of registered holders of such Canadian Notes immediately following each applicable Record Date.

(b) The Sub-paying Agent will pay the principal amount of each Canadian Note on the applicable maturity date or upon any redemption date with respect thereto, together with accrued and unpaid interest due at maturity or such redemption date, if any, only upon presentation and surrender of such Canadian Note on or after the maturity date or redemption date thereof to the Sub-paying Agent, or as specified in the Canadian Notes. The Sub-paying Agent will forthwith deliver each such Canadian Note to the Principal Paying Agent for cancellation.

(c) Notwithstanding the foregoing,

(i) if any Canadian Note is presented or surrendered for payment to the Sub-paying Agent and the Sub-paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, the Sub-paying Agent shall as soon as is reasonably practicable notify the Issuer in writing of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and has received the amount to be so paid;

(ii) the Sub-paying Agent shall cancel each Canadian Note against surrender of which it has made full payment and shall deliver each Canadian Note so cancelled by it to the Principal Paying Agent; and

(iii) in the case of payment of interest or principal against presentation of a Canadian Note, the Registrar shall note or procure that there is noted on the relevant schedule to such Canadian Note, the amount of such payment and, in the case of payment of principal, the remaining Principal Amount Outstanding of the Canadian Note and shall procure the signature of such notation on its behalf;

(d) the Sub-paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest if it has not received the full amount of any payment under Section 4(a).

(e) If at any time and for any reason the Sub-paying Agent makes a partial payment in respect of a Canadian Note, the Registrar shall, in respect of such Canadian Note, endorse thereon a statement indicating the amount and date of such payment.

(f) If the Issuer intends to redeem all (but not some only) of the Canadian Notes prior to their stated maturity date pursuant to and in accordance with the terms of Indenture it shall give not more than 60 nor less than 30 days' written notice of such intention to the Note Trustee and the Canadian Noteholders in accordance with the relevant provisions of the Indenture and stating the date on which such Canadian Notes are to be redeemed and shall give sufficient notice to the Sub-paying Agent to enable it to notify the Canadian Noteholders within such prescribed period. The Sub-paying Agent shall in accordance with the Indenture on behalf of and at the expense of the Issuer send such notice to the Canadian Noteholders. In the case of a partial redemption of the Canadian Notes the principal amount of the Canadian Notes being partially redeemed on an Interest Payment Date shall be redeemed on a pro rata basis in accordance with the Indenture.

(g) Any payment to be made to the Sub-paying Agent for the Sub-paying Agent to in turn disburse shall be preceded by written confirmation from the Issuer of the payment at least one day that is not a Saturday, Sunday or statutory holiday in Toronto, Ontario (a "**Toronto Business Day**") beforehand.

(h) The Sub-paying Agent shall not exercise any lien, right of set-off or similar claim against any person to whom it makes any payment under Section 3(a) or 3(b) in respect thereof, nor shall any commission or expense be charged by it to any such person in respect thereof.

(i) If the Sub-paying Agent makes any payment in accordance with Section 3(d), it shall be entitled to appropriate for its own account out of the funds received by it under Section 4 an amount equal to the amount so paid by it.

4. **Availability of Funds.**

(a) In order to provide for the payment of interest and principal in respect of the Canadian Notes as the same become due and payable in accordance with the Conditions and the Indenture, the Issuer shall pay to the Sub-paying Agent or otherwise cause the Sub-paying Agent to receive an amount which is equal to the amount of principal and interest then falling due in respect of the Canadian Notes.

(b) The Issuer shall, not later than 11:00 a.m.. (Toronto time) on each Interest Payment Date, on which any payment of principal and interest in respect of the Canadian Notes becomes due, pay or cause to be paid to the Sub-paying Agent such amounts, in Canadian dollars, in immediately available funds as may be required for the purpose of paying principal or interest under the

Canadian Notes (after taking account of any cash then held by the Sub-paying Agent and available for that purpose) and such amounts shall be paid to the credit of suitably designated accounts at such bank or banks in Toronto for payment to the Canadian Noteholders as shall be notified to the Issuer by the Sub-paying Agent in writing no later than two weeks before the first payment is due to be made to the Canadian Noteholders. The Sub-paying Agent shall notify the Issuer and/or the Note Trustee in writing, within five Business Days of any change of those accounts, or any of them, and (i) upon the bankruptcy, insolvency, winding up or liquidation (other than the passing of any resolution by the Sub-paying Agent in connection with any merger, conversion, consolidation, or transfer of the Sub-paying Agent or (ii) upon default being made by the Sub-paying Agent in the payment of any amounts in respect of principal or interest in accordance with this Agreement or (iii) failing payment within the designated periods of prescription specified in Section 8, the Sub-paying Agent shall hold all payments on trust for repayment to the Issuer.

(c) The Issuer shall confirm by facsimile to the Sub-paying Agent by 2.00 p.m. (Toronto time) two Business Days prior to each date on which any payment is due to be made under Section 4(b):

(i) the amount of interest or principal (as the case may be) payable in respect of the Canadian Notes on the date in question and the apportionment of such amount as between principal and interest: and

(ii) that it will transfer the relevant sum due on that date to the account of theSub-paying Agent; and

(d) The Sub-paying Agent shall as soon as is reasonably practicable notify the Note Trustee, the Agent Bank, the Principal Paying Agent and the Issuer by facsimile if, by 5.00 p.m. (Toronto time) on an Interest Payment Date, the Sub-paying Agent has not received the dollar deposit required by Section 4(b) and/or there are not sufficient funds in dollars available to the Sub-paying Agent to discharge the amount of the monies payable thereon in accordance with the Conditions and/or the provisions of the Indenture on such Interest Payment Date, and the Sub-paying Agent will in addition notify the Issuer by telephone as soon as reasonably practicable after any Interest Payment Date it has not received the dollar deposit required by Section 4(b) and/or as otherwise described in accordance with this Section 4(e).

5. **Tax Reporting**.

(a) The Sub-paying Agent shall be responsible for performing all Canadian tax withholding and tax reporting obligations of the Issuer and theSub-paying Agent with respect to all payments on the Canadian Notes, including receipt and administration of tax withholding information from the Canadian Depository with

respect to the Canadian Notes, remittance of any amounts required to be withheld to the appropriate Canadian taxing authorities and preparation and submission to appropriate Canadian taxing authorities of all tax returns and any other appropriate documentation and information with respect to any such amounts withheld from interest and other amounts payable in respect of the Canadian Notes. The Issuer shall provide the Sub-paying Agent with any applicable documents, including tax forms or other documents that may reasonably be required by the Sub-paying Agent.

(b) The Sub-Paying Agent hereby represents and covenants to the Company that the Paying Agent will comply with withholding and information reporting requirements imposed on the Company and the Sub-Paying Agent in connection with payments on the Notes, including the withholding and backup withholding requirements of the Internal Revenue Code of 1986, as amended, and Form 1042-S and 1099 information reporting requirements. The Sub-Paying Agent shall act as a Qualified Intermediary this expression is defined in United States Treasury Regulation section 1.1441-1(e)(5)(ii)) with respect to all payments made under this Agreement. The Sub-Paying Agent shall deliver to the Company a complete and valid W-8IMY (or any successor form) indicating that it is a Qualified Intermediary that has assumed primary withholding responsibility under Chapter 3 and Chapter 4 of the Internal Revenue Code of I 986 and primary Form 1099 reporting and backup withholding responsibility. The Sub-Paying Agent agrees to provide its payees, including without limitation, participants in the Canadian Depository and persons holding Canadian Notes through such participants,with such blank US tax forms as such persons may reasonably request in connection with the receipt of payments on the Canadian Notes.

In recognition of the Sub-Paying Agent acting as a Qualified Intermediary in accordance with the preceding paragraph, the Company hereby acknowledges that the Sub-Paying Agent is the payee (as that term is defined for purposes of Chapter 3 and Chapter 4 of the Internal Revenue Code of 1986) with respect to payments made by the Company to the Sub-Paying Agent under this Agreement. The Company shall comply with the information reporting requirements imposed by United States Treasury Regulation sections 1.1461-l T(c) and 1.1474-l T(d) (or any successor provisions having substantially the same effect) to provide the Paying Agent with Forml042-S.

(c) With respect to any jurisdiction other than Canada, theSub-Paying Agent shall be entitled to rely entirely on the advice of the Issuer as to whether any taxes should be withheld from payments made by the Sub-Paying Agent and remitted to the tax authorities in such jurisdiction.

(d) The Company shall deliver to Sub-Paying Agent a document on a quarterly basis containing all US source reportable income. It shall contain the following information; CUSIP, security name, pay date, local currency amount, US dollar amount, and exchange rate. This document will serve to reconcile US source reportable income calculated with varied exchange rates throughout the year prior to submission of the Form 1042-S.

6. **Communications with Canadian Depository**. The Sub-paying Agent shall also act as the Issuer's primary liaison with the Canadian Depository for the Canadian Notes in Canada and, in such capacity, shall promptly notify the Issuer regarding any instructions or other communications received from the Canadian Depository with respect to the Issuer or otherwise in connection with the Canadian Notes and shall at the request of the Issuer from time to time facilitate communications between the Issuer and the Canadian Depository, including by delivering notices or other communications provided by the Issuer to the Canadian Depository.

7. **Agreements of Paying Agent**. The Sub-paying Agent hereby agrees, for the benefit of the Issuer and the Principal Paying Agent, that:

(a) the Sub-paying Agent will hold all sums held by it assub-paying agent for the payment of the principal or interest, if any, on the Canadian Notes in trust for the benefit of the holders of the Canadian Notes entitled thereto, or for the benefit of the Note Trustee, as the case may be, until such sums shall be paid out to such holders or otherwise as provided in paragraph (c) below and the Indenture;

(b) the Sub-paying Agent will promptly give the Principal Paying Agent notice, on behalf of the Issuer, of an Issuer deposit for the payment of principal of or interest, if any, on the Canadian Notes, of any failure by the Issuer in the making of any deposit for the payment of principal of or interest, if any, on the Canadian Notes that shall have become payable and of any default by the Issuer in making any payment of the principal of or interest, if any, on the Canadian Notes where the same shall be due and payable as provided in the Canadian Notes;

(c) At any time after an Issuer Event of Default in respect of the Canadian Notes or any of them shall have occurred, theSub-Paying Agent shall, if so required by notice in writing given by the Note Trustee or, as applicable, the Issuer Security Trustee to the Sub-Paying Agent:

(i) thereafter, until otherwise instructed by the Note Trustee or, as applicable, act as agent of the Note Trustee under the terms of the Indenture; and/or

(ii) deliver up all Canadian Notes and all sums, documents and records held by theSub-Paying Agent in respect of the Canadian Notes to the Note Trustee or as the Note Trustee shall direct in such notice, provided that such notice shall be deemed not to apply to any document or record which the Sub-paying Agent is obliged not to release by any applicable law or regulation;

8. **Fees and Expenses**. The Sub-paying Agent shall be entitled to reasonable compensation as may be agreed in writing with the Issuer for all services rendered by it as agreed to between the Sub-paying Agent and the Issuer.

9. **Terms and Conditions.** The Sub-paying Agent accepts its obligations herein set out upon the terms and conditions hereof, including the following, to all of which the Issuer agrees:

(a) The Sub-paying Agent shall be entitled to treat the registered holder of any Canadian Note as the absolute owner of such Canadian Note for all purposes and make payments thereon accordingly.

(b) The Sub-paying Agent may in connection with its services hereunder:

(i) rely without further investigation or inquiry upon the terms of any notice, communication or other document reasonably believed by it to be genuine;

(ii) The Sub-paying Agent may employ such agents, counsel, accountants, engineers, appraisers or other assistants or experts as it may reasonably require for the proper discharge and determination of its rights and duties hereunder and may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof and thereof (including the reasonable disbursements and expenses of any such agents, counsel, accountants, engineers, appraisers or assistants). The Sub-paying Agent Agent may rely on the advice, reports, opinions, etc. of those employed but shall not be liable for the action or non-actions of any agents, counsel, accountants, engineers, appraisers or assistants chosen with due care. All reasonable and documented out-of-pocket costs incurred therein shall be payable on demand by the Issuer.

(iii) refer any question relating to the ownership of any Canadian Note, or the adequacy or sufficiency of any evidence supplied in connection with the replacement, transfer or exchange of any Canadian Note to the Issuer for determination by the Issuer and in good faith conclusively rely upon any determination so made; and

(iv) whenever in the administration of this Agreement it shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, in the absence of bad faith or negligence or wilful misconduct on its part, accept a certificate signed by any person duly authorised on behalf of the Issuer as to any fact or matter prima facie within the knowledge of the Issuer as sufficient evidence thereof;

(v) consult with or retain such legal counsel and other advisors as required in the event of dispute or questions as to the construction of any of the provisions hereof or its duties hereunder and it shall incur no liability and shall be fully protected and held harmless in acting or in refraining from acting in accordance with the opinion and advice of such legal counsel or advisors, except to the extent that such liability arises out of its own negligence, willful misconduct, bad faith or negligent or willful breach of contract. The Principal Paying Agent shall reimburse the Sub-Paying Agent for reasonable costs and fees of such legal counsel or advisors. The Company shall reimburse the Principal Paying Agent for reasonable and documented costs and fees of such legal counsel or advisors (including such costs and fees of the Sub-Paying Agent that the Principal Paying Agent is required to reimburse pursuant to this Section 9(g));

(c) The Sub-paying Agent shall only be obliged to perform the duties set out herein and such other duties as are necessarily incidental thereto. The Sub-paying Agent shall not (a) be under any fiduciary duty towards any person, (b) be responsible for or liable in respect of the authorisation, validity or legality of any Canadian Note amount paid by it hereunder or any act or omission of any other person (except to the extent that such liability arises out of the wilful misconduct or negligence on the part of the Sub-paying Agent), (c) be under any obligation towards any person other than the Note Trustee, Issuer and the Principal Paying Agent or (d) assume any relationship of agency or trust for or with any Canadian Noteholder.

(d) The Sub-paying Agent may purchase, hold and dispose of beneficial interests in a Canadian Note and may enter into any transaction (including, without limitation, any depository, trust or agency transaction) with the Issuer or any holders or owners of any Canadian Notes or with any other party hereto in the same manner as if it had not been appointed as the sub-paying agent of the Issuer or the Note Trustee in relation to the Canadian Notes.

(e) the Sub-paying Agent shall incur no liability hereunder except for loss sustained by reason of its own gross negligence, willful misconduct or bad faith;

(f) No provisions of this Agreement shall require the Sub-paying Agent to expend its own funds or assume a financial commitment to a person not party to this Agreement (other than in the ordinary course of its business) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers hereunder,;

(g) the Sub-paying Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement;

(h) The Issuer will supply the Sub-paying Agent with the names and specimen signatures of its authorised signatories.

(i) The Sub-paying Agent shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Sub-paying Agent ("Electronic Methods") from a person purporting to be (and whom such Sub-paying Agent , acting reasonably, believes in good faith to be) the authorized representative of the Issuer, Note Trustee or Principal Paying Agent as sufficient instructions and authority of the Issuer, Note Trustee or Principal Paying Agen for the Sub-paying Agent to act and shall have no duty to verify or confirm that person is so authorized. The Sub-paying Agent shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Issuer, Note rustee and Principal Paying Agent agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Sub-paying Agent , including without limitation the risk of the Sub-paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting instructions to the Sub-paying Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer, Note Trustee or Principal Paying Agent; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(j) the sending of a check by the Sub-paying Agent or the sending of monies by wire transfer by the Sub-paying Agent will satisfy and discharge the liability for any amounts due to the extent of the sum or sums represented thereby (plus the amount of any tax deducted or withheld as required by law) unless such check or wire is not honored on presentation; provided that, in the event of the non-receipt of such check or wire by the payee, or the loss or destruction thereof, the Sub-paying Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it, will issue to such payee a replacement check or wire.

(k) The Sub-paying Agent shall not be liable for any consequential, punitive or special damages;

(l) The Sub-paying Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of The Sub-paying Agent(including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war)

(m) The Sub-paying Agent shall not liable for errors in judgment made in good faith unless negligent in ascertaining the pertinent facts,

10. **Resignation; Removal; Successor**.

(a) Subject to Section 10(h), the Sub-paying Agent may resign its appointment upon not less than 60 days' written notice to the Issuer, the Note Trustee and the Issuer Security Trustee (with a copy to the Principal Paying Agent) to that effect, which notice shall expire not less than 30 days before an Interest Payment Date related to the Canadian Notes.

(b) Subject to Section 10(h), the Issuer may at any time with the prior written consent of the Note Trustee terminate the appointment of the Sub-paying Agent as its agent in relation to the Canadian Notes by not less than 60 days' written notice to the Note Trustee and the Sub-paying Agent (with a copy to the Principal Paying Agent), which notice shall expire not less than 30 days before an Interest Payment Date.

(c) If at any time:

(i) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Sub-paying Agent;

(ii) the Sub-paying Agent admits in writing its insolvency or inability to pay its debts as they fall due or suspends payments of its debts;

(iii) an administrator or liquidator of the Sub-paying Agent of the whole or any part of the undertaking, assets and revenues of the Sub-paying Agent is appointed (or application for any such appointment is made);

(iv) the Sub-paying Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness;

(v) an order is made or an effective resolution is passed for the winding up of the Sub-paying Agent; or

(vi) any event occurs which has an analogous effect to any of the foregoing,

the Issuer may, with the prior written approval of the Note Trustee (which approval shall not be unreasonably withheld or delayed), forthwith terminate without notice the appointment of the Sub-paying Agent. On the occurrence of any of the above, the Sub-paying Agent shall forthwith notify the Issuer.

(d) The Issuer may, with the prior written approval of the Note Trustee (such approval not to be unreasonably withheld or delayed):

(i) appoint a successor sub-paying agent; and/or

(ii) appoint one or more additional sub-paying agents in respect of the Canadian Notes;

and shall forthwith give notice of any such appointment to the Principal Paying Agent, the Sub-paying Agent and the Canadian Noteholders.

(e) If the Sub-paying Agent gives notice of its resignation in accordance with Section 10(a) and by the tenth day before the expiration of such notice a successor sub-paying agent has not been duly appointed, the Sub-paying Agent may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Note Trustee and the Issuer (provided such failure to appoint was not due to default by the Issuer), appoint as its successor sub-paying agent any reputable and experienced bank or financial institution and give notice of such appointment to the Issuer, the Principal Paying Agent and the Canadian Noteholders.

(f) Upon the execution by the Issuer and any successor sub-paying agent of an instrument effecting the appointment of such successor sub-paying agent, such successor sub-paying agent shall, without any further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor with like effect as if originally named as the Sub-paying Agent herein and the Sub-paying Agent, upon payment to it of the *pro rata* proportion of its administration fee and disbursements then unpaid (if any), shall thereupon become obliged to transfer, deliver and pay over, and such successor sub-paying agent shall be entitled to receive, all monies, records and documents (including any Canadian Notes, if any) held by the Sub-paying Agent hereunder.

(g) The Issuer shall, within 30 days of the revocation of the appointment of the Sub-paying Agent, the appointment of a successor sub-paying agent or the resignation of the Sub-paying Agent, give to the Canadian Noteholders written notice thereof.

(h) Notwithstanding Sections 10(a) to (g):

(i) no resignation by or termination of the appointment of the Sub-paying Agent shall take effect until a successor sub-paying agent in respect of the Canadian Notes, approved in writing by the Note Trustee, has been appointed on terms previously approved in writing by the Note Trustee;

(ii) no appointment or termination of the appointment of the Sub-paying Agent shall take effect unless and until notice thereof shall have been given to the Canadian Noteholders in accordance with the Indenture and the Conditions; and

(iii) the appointment of any additional or successor sub-paying agent shall be *mutatis mutandis* on the terms and subject to the conditions of this Agreement and each of the parties hereto shall co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give effect to the appointment of such successor sub-paying agent.

(i) Upon any resignation or revocation taking effect under Section 10(a) or any termination under Section 10(b), the Sub-paying Agent shall:

(i) without prejudice to any accrued liabilities and obligations, be released and discharged from any further obligations under this Agreement (save that it shall remain entitled to the benefit of, and subject to, this Section 10 and Sections 8 and 9);

(ii) in the case of any resignation, repay to the Issuer such part of any fee paid to it in accordance with Section 8 as shall relate to any period thereafter;

(iii) deliver to the Issuer and to the successor sub-paying gent a copy, certified as true and up-to-date by an officer of the Sub-paying Agent, of the records maintained by it pursuant to this Agreement;

(iv) forthwith transfer all monies and papers (including any unissued Notes held by it hereunder) to the successor sub-paying agent in that capacity and provide reasonable assistance to its successor for the discharge by it of its duties and responsibilities hereunder; and

(v) pay to the successor sub-paying agent any amount held by it for payment of principal or interest in respect of the Canadian Notes.

(j) Any legal entity into which the Sub-paying Agent is merged or converted or any legal entity resulting from any merger, amalgamation or conversion to which the Sub-paying Agent is a party shall, to the extent permitted by applicable law, be the successor to the Sub-paying Agent without any further formality, whereupon the Issuer, the Note Trustee, the Principal Paying Agent and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement. Written notice of any such merger or conversion shall forthwith be given by such successor to the Issuer, the Note Trustee and the Principal Paying Agent.

11. **Indemnification**.

(a) The Issuer agrees to indemnify the Sub-paying Agent for, and to hold the Sub-paying Agent harmless against, any loss, liability or expense incurred without gross negligence, bad faith or wilful misconduct on its part, arising out of, or in connection with, the acceptance and provision of any services by the Sub-paying Agent under this Agreement, including the costs and expenses (including legal fees and expenses properly incurred) of defending itself against any claim in connection with the exercise or performance of any of its powers or duties under this Agreement.

(b) No termination of this Agreement shall affect the obligations created by Sections 11(a) and (b) of the Issuer and the Sub-paying Agent, respectively, to indemnify the Sub-paying Agent or, as the case may be, the Issuer under the Conditions and to the extent set forth in this Agreement.

12. **Notices**. Any notice or other document required to be given or delivered hereunder shall be delivered in person, sent (unless otherwise specified in this Agreement) by letter, telex or facsimile transmission or communicated by telephone (confirmed in a writing dispatched within two Toronto Business Days):

(a) in the case of the Issuer, to it at:

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328
Attn: Legal Department
Fascimile No.: 404-828-6912

With copies to:

King & Spalding LLP
1180 Peachtree Street, N.E.
Atlanta, GA 30309
Attn: Jeffrey M. Stein
Fascimile No.: 404-572-5133

(b) in the case of the Principal Paying Agent, to it at:

The Bank of New York Mellon Trust Company, N.A.
200 Ashford Center North, Suite 550
Atlanta, GA 30338
Attention: Corporate Trust Administration
Fascimile No.: 770-698-5196

(c) in the case of the Sub-paying Agent, to it at:

11th Floor, 320 Bay Street
Toronto, Ontario, M5H 4A6
Attention: Corporate Trust Administration
Facsimile No.: 416-360-1711

or, in any case, to any other address or number of which the party receiving notice shall have notified the party giving such notice in writing. Any notice hereunder given by telex, facsimile or letter shall be deemed to be served when in the ordinary course of transmission or post, as the case may be, it would be received.

13. **Governing Law**. This Agreement shall be governed by and construed in accordance with the law of the Province of Ontario and each of the parties to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

14. **Trial by Jury**. The parties hereto hereby waive any right they may have to require a trial by jury of any proceeding commenced in connection herewith.

15. **Counterparts**. This Agreement may be executed by facsimile in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

16. **Benefit of Agreement**. This Agreement is solely for the benefit of the parties hereto and their successors and assigns, and no other person shall acquire or have any rights under or by virtue hereof.

IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first above written.

UNITED PARCEL SERVICE, INC.

By: /s/ Joseph B. Amsbary, Jr.
Name: Joseph B. Amsbary, Jr.
Title: Assistant Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Principal Paying Agent

By: /s/ R. Tarnas
Name: R. Tarnas
Title: Vice President

BNY TRUST COMPANY OF CANADA,
as Sub-paying Agent

By: /s/ J. Steven Broude
Name: J. Steven Broude
Title: Authorized Signatory

Acknowledged and Agreed:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., *as Note Trustee*

By: /s/ R. Tarnas
Name: R. Tarnas
Title: Vice President

KING & SPALDING

May 18, 2017

United Parcel Service, Inc.
55 Glenlake Parkway
Atlanta, Georgia 30328

Re: United Parcel Service, Inc. 2.125% Senior Notes due 2024

Ladies and Gentlemen:

We have acted as counsel for United Parcel Service, Inc., a Delaware corporation (the "Company"), in connection with the offering by the Company of C$750,000,000 aggregate principal amount of the 2.125% Senior Notes due 2024 (the "Notes"). The Notes will be issued pursuant to a Registration Statement on Form S-3 (Registration Statement No. 333-214056) (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), the related prospectus dated October 11, 2016 (the "Base Prospectus"), and a Prospectus Supplement relating to the Notes, dated May 15, 2017 (the "Prospectus Supplement" and collectively with the Base Prospectus, the "Prospectus"), filed with the Commission pursuant to Rule 424(b) of the rules and regulations promulgated under the Act. This opinion is being provided at your request for incorporation by reference into the Registration Statement.

In connection with this opinion, we have reviewed such matters of law and examined original, certified, conformed or photographic copies of such other documents, records, agreements and certificates as we have deemed necessary as a basis for the opinions hereinafter expressed. In such review, we have assumed the genuineness of signatures on all documents submitted to us as originals and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies. We have relied, as to the matters set forth therein, on certificates of public officials. As to certain matters of fact material to this opinion, we have relied, without independent verification, upon certificates of certain officers of the Company.

We have assumed that the Indenture dated as of August 26, 2003 (as supplemented, the "Indenture"), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (as successor to Citigroup, N.A.) (the "Trustee"), is enforceable against the Trustee in accordance with its terms.

The opinions expressed herein are limited in all respects to the federal laws of the United States of America and the corporate law of the State of Delaware (which includes the Delaware General Corporation Law, applicable provisions of the Delaware Constitution and reported judicial interpretations concerning those laws), and no opinion is expressed with respect to the laws of any other jurisdiction or any effect which such laws may have on the opinions expressed herein. This opinion is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein.

Based upon the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that the Notes, upon issuance and sale thereof as described in the Prospectus and, when executed and delivered by the Company and authenticated by the Trustee under the Indenture and delivered and paid for by the purchasers thereof, will be validly issued and will constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights and remedies of creditors generally and to the effect of general principles of equity.

This opinion is given as of the date hereof, and we assume no obligation to advise you after the date hereof of facts or circumstances that come to our attention or changes in law that occur which could affect the opinions contained herein. This opinion is being rendered solely for the benefit of the Company in connection with the matters addressed herein.

We hereby consent to the filing of this opinion as an Exhibit to the Current Report on Form8-K that you will file on May 18, 2017 and to the reference to us under the caption “Legal Opinions” in the Prospectus Supplement.

/s/ King & Spalding LLP