

2024

NOTICE OF ANNUAL MEETING
**of Shareowners and
Proxy Statement**
2023 ANNUAL REPORT ON FORM 10-K



Thursday, May 2, 2024 | 8:00 a.m. Eastern Time

www.virtualshareholdermeeting.com/UPS2024

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328

March 18, 2024



Dear Fellow Shareowners:

The secret sport is "boxing".

At the beginning of the year, I said 2023 was going to be a year of resiliency, and that turned out to be true. We faced challenging external business conditions that led to declining volume, revenue and operating profit in all lines of our business. I'm proud of the efforts of our nearly 500,000 employees for navigating through these challenges.

Throughout 2023, we operated with speed and agility, controlled what we could control, and stayed on strategy. Here are some highlights from the year:

- Delivered excellent service to our customers around the globe, anchored by the best on-time performance of any carrier in the U.S. for the sixth year in a row.
- Grew small and medium-sized business (SMB) penetration to 28.6% of total U.S. volume, driven by continued expansion of DAP, our Digital Access Program, and the convenience of The UPS Store.
- Generated \$10 billion in healthcare revenue across our three business segments; topped 17 million square feet of healthcare-compliant distribution space and acquired MNX Global Logistics, expanding our cold chain capabilities.
- Delivered a win-win-win labor agreement for our Teamster employees with a wage and benefit compounded annual growth rate increase of 3.3% over the five-year life of the contract, providing certainty for UPS and our customers.
- Completed phase one of Smart Package Smart Facility, our RFID solution, in more than 1,000 buildings in the U.S., reducing misloads by 67%.
- Acquired Happy Returns, enhancing our no-box, no-label, consolidated returns capabilities.
- Generated \$91 billion in consolidated revenue with a consolidated adjusted operating profit margin of 10.9%*.
- Generated \$5.3 billion in free cash flow* and repaid \$2.4 billion of long-term debt.
- Returned \$7.6 billion to shareowners, consisting of \$5.4 billion in cash dividends and \$2.25 billion in share repurchases.

CUSTOMER FIRST, PEOPLE LED, INNOVATION DRIVEN

Customer First is about reducing friction in the customer experience and meeting customer needs. While we experienced some volume diversion during our Teamster labor negotiation, our commitment to service allowed us to win back and win new volume following the ratification of the contract. In 2023, we continued to build new solutions for shippers and recipients. For example, we launched Hyperlocal, a data driven solution that leverages our U.S. facilities to provide select customers with a fast, next-day delivery option, and enables UPS to capture new profitable B2C and B2B volume. We also expanded Delivery Photo, providing 92% of our global residential stops a photo that shows exactly where the package was delivered, providing peace of mind to recipients and reducing “where’s my package” calls. Customer First is also about growing in the most attractive parts of the market, like SMBs, certain enterprise customers, healthcare and international. In terms of SMBs, DAP is a competitive strength and SMB growth driver that generated \$2.9 billion in global revenue in 2023. Additionally, returns continue to be a growth area for UPS. To accelerate that growth, we acquired Happy Returns and quickly made it available in over 5,000 The UPS Store locations, making returns even more convenient for consumers and merchants. Looking at healthcare, our strategic objective is to become the number one complex healthcare logistics provider in the world, and we are making bold moves to get there. For example, our acquisition of MNX Global Logistics enables us to reach new customers and new healthcare markets, like the radio-pharmaceuticals sector, with global time-critical and cold chain solutions. We see significant opportunity for complex healthcare and expect to continue to grow in healthcare over the next few years. We track progress in Customer First by improvements in our Net Promoter Score (NPS). In the U.S., we finished the year with a NPS of 44 and moved closer toward our target NPS of 50.

Moving to *People Led*, we are focused on the employee experience and making UPS a great place to work. In September, our five-year labor agreement with the Teamsters was fully ratified with overwhelming support from our union-represented employees. This win-win-win agreement continues to reward our employees with the best pay and benefits in our industry, which helps us attract and retain talent and provide industry-leading service to our customers. Further, UPS retained the flexibility we need to stay competitive, serve our customers and keep our business strong. We measure our progress in People Led by how likely an employee is to recommend others to work at UPS. In 2023, 65% said they would recommend employment at UPS to family and friends, an improvement of 14 percentage points over the past five years. Our goal is for Likelihood to Recommend to reach 80% or higher.

Lastly, *Innovation Driven* is about driving more productivity from the assets we own. Throughout 2023, productivity initiatives like Total Service Plan enabled greater agility to match network capacity with changing volume levels. Additionally, our Network Planning Tools (NPT), which use AI and machine learning, enabled us to adjust load planning, scheduling and volume flows across the network based on real-time data. This technology is powerful, and NPT can do in an afternoon what used to take a team of UPS engineers months to do. We also more closely aligned our digital businesses, including Roadie, Ware2Go, Delivery Solutions and UPS Capital as we adopt a bolder approach to digital commerce. We are accelerating new solutions to meet the needs of our customers and expanding our addressable market to drive profitable growth. One example of a recent innovation is UPS Capital’s Delivery Defense, which uses predictive analytics to enable merchants to assess the level of delivery risk associated with addresses. We measure Innovation Driven by delivering high returns on invested capital, and in 2023, we delivered an adjusted return on invested capital* of 21.9%.

The secret transportation is a "train".

LOOKING AHEAD

After a difficult year, we exited 2023 with some momentum, but momentum is not enough. We are making bold moves to right size our company for the future under an initiative we call “Fit to Serve.” We are exploring strategic alternatives for our truckload brokerage business known as Coyote. We are leaning into growth in the most attractive parts of the market and are continuing to drive efficiency across our integrated network. We expect market conditions to settle down in 2024 and that, coupled with our initiatives, gives us confidence that we will reverse the negative trends we experienced in 2023.

To wrap up, I want to encourage all shareowners to vote your shares at our Annual Meeting in May. This is your opportunity to share your views with us. We listen and take your feedback into account as we seek to grow our business, further improve governance and create long-term shareowner value. As we approach the Annual Meeting, I encourage you to contact us with any questions or feedback at 404-828-6059.

I’ll leave you with a quote from our founder, Jim Casey, “Our horizon is as distant as our mind’s eye wishes it to be.” UPS is stronger than ever. We are writing the next chapter of the UPS story and we believe our best days are ahead of us.

We thank you for your support.

A handwritten signature in black ink, appearing to read "Carol B. Tomé". The signature is fluid and cursive, with a large, stylized "C" and "T".

Carol B. Tomé
Chief Executive Officer

*See reconciliation of Non-GAAP financial measures on page A1.



Notice of 2024 Annual Meeting of Shareowners and Proxy Statement

Thursday, May 02, 2024
8:00 a.m. Eastern Time

www.virtualshareholdermeeting.com/UPS2024

The secret object #1 is a "chair".

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**United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328**

March 18, 2024



Dear Fellow Shareowners,

It is my pleasure to invite you to attend the 2024 UPS Annual Meeting of Shareowners. We encourage you to attend the meeting and to share your views about our Company.

I am honored to serve as board chair and to help facilitate the effective oversight of our Company's strategy and risks. Your board is highly engaged and has a productive working relationship with management. Each director brings a diverse set of skills and perspectives to the boardroom which, taken together, contributes to the successful execution of our responsibilities. We remain focused on creating long-term value for all stakeholders.

In 2023, our Company faced significant headwinds, including economic pressures, increasing geopolitical tensions, high inflation, changing consumer shopping behaviors, trade lane shifts and our union contract negotiations. Despite these uncertainties, we were still able to return over \$7.6 billion to shareowners in 2023 through dividends and share repurchases, and we have established a new baseline for growth.

The board recognizes management's many achievements during such a challenging year. Management continued to make progress against the Company's strategy, including investing back in the business to drive productivity and future growth, executing strategic acquisitions and remaining focused on premium markets, including small and medium-sized businesses, healthcare, and international growth. The Company once again provided best-in-class service, successfully managed our best-in-class network and strategically expanded its service offerings. In addition, the Company entered into a "win-win-win" labor contract that provides meaningful labor certainty.

In closing, I want to encourage all my fellow shareowners to vote. As we approach the Annual Meeting, please contact us with any questions or feedback at 404-828-6059.

On behalf of the entire Board of Directors, thank you for your continued support.



William Johnson
UPS Board Chair



Notice of Annual Meeting

UNITED PARCEL SERVICE, INC.

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328

Date and Time: May 2, 2024, 8:00 a.m. Eastern Time

Place: The United Parcel Service, Inc. 2024 Annual Meeting of shareowners will be held online via webcast at www.virtualshareholdermeeting.com/UPS2024.

Record Date: March 5, 2024

Distribution Date: A Notice of Internet Availability of Proxy Materials or the Proxy Statement is first being sent to shareowners on March 18, 2024.

Voting: Holders of class A common stock are entitled to 10 votes per share on each matter to be acted upon; holders of class B common stock are entitled to one vote per share on each matter to be acted upon. **Your vote is important. Please vote as soon as possible through the Internet, by telephone or by signing and returning your proxy card (if you received a paper copy of the proxy card). Your voting options are described on the Notice of Internet Availability of Proxy Materials, voting instruction form and/or proxy card. Brokers are not permitted to vote on certain proposals and may not vote on any of the proposals unless you provide voting instructions. Voting your shares will help to ensure that your interests are represented at the meeting.**

Attending the Meeting: You or your proxy holder can participate, vote and ask questions at the meeting by visiting www.virtualshareholdermeeting.com/UPS2024 and using your 16-digit control number found on your proxy card, voting instruction form or Notice of Internet Availability of Proxy Materials. Shareowners who do not receive a 16-digit control number should consult their voting instruction form or Notice of Internet Availability of Proxy Materials and may need to request a legal proxy from their bank, broker or other nominee in advance of the meeting in order to participate. For more information, see page 77.

Important Notice Regarding the Availability of Proxy Materials for the Shareowner Meeting to be Held on May 2, 2024: The Proxy Statement and our 2023 Annual Report are available at www.proxyvote.com. Questions? Call 404-828-6059 (option 2).

By order of the Board of Directors

Norman M. Brothers, Jr.
Secretary
Atlanta, Georgia
March 18, 2024

The secret object #2 is a "key".





Items of Business

UNITED PARCEL SERVICE, INC.

2024 Annual Meeting of Shareowners

	Voting Choices	Board Voting Recommendations	Page
Company Proposals:			
1. Elect 12 director nominees named in the Proxy Statement to serve until the 2025 Annual Meeting and until their respective successors are elected and qualified	• Vote for all nominees • Vote against all nominees • Vote for some nominees and against others • Abstain from voting on one or more nominees	FOR EACH NOMINEE	21
2. Advisory vote to approve named executive officer compensation. <i>The secret tool is a "saw".</i>	• Vote for the proposal • Vote against the proposal • Abstain from voting on the proposal	FOR	62
3. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2024	• Vote for ratification • Vote against ratification • Abstain from voting on the proposal	FOR	65
Shareowner Proposals:			
4. - 6. Advisory votes on 3 shareowner proposals, only if properly presented	• Vote for each proposal • Vote against each proposal • Abstain from voting on one or more proposals	AGAINST EACH PROPOSAL	68





Proxy Statement

UNITED PARCEL SERVICE, INC.

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328

This Proxy Statement contains important information about the 2024 Annual Meeting of Shareowners (the "Annual Meeting"). We are providing these proxy materials to you because our Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. The Annual Meeting will be held online via webcast on May 2, 2024, at 8:00 a.m. Eastern Time, at www.virtualshareholdermeeting.com/UPS2024. Shareowners can participate, ask questions and vote during the meeting through this website.

All properly executed written proxies, and all properly completed proxies submitted through the Internet or by telephone, that are delivered pursuant to this solicitation will be voted at the Annual Meeting in accordance with the directions given in the proxy, unless the proxy is revoked prior to the completion of voting at the Annual Meeting. Only owners of record of shares of the Company's common stock as of the close of business on March 5, 2024 (the "Record Date") are entitled to notice of, and to vote at, the Annual Meeting (or any adjournment or postponement of the Annual Meeting). We are first mailing this Proxy Statement on or about March 18, 2024.

Proxy Statement Summary

The following summary highlights key information contained elsewhere in this Proxy Statement.

Corporate Governance

Some of our key governance policies and practices include:

- An **independent board**; all our directors are independent, other than our Chief Executive Officer ("CEO"); an **independent Board Chair** who is highly engaged and experienced;
- A **diverse board**, with 42% of the board being female and 33% of the board being ethnically diverse;
- **Executive sessions** of our **independent directors** held at each board meeting;
- **Annual elections** for all directors; **majority voting** in uncontested director elections;
- Full board engagement in the **strategic planning** process, including an in-depth annual strategy review and overseeing progress throughout the year;
- A Risk Committee consisting entirely of independent members that is responsible for **oversight of enterprise risks, including cybersecurity risks**;
- Regular evaluations of governance policies and practices, making changes when appropriate; including recently delegating additional **cybersecurity oversight responsibilities** to the Risk Committee, delegating **environmental sustainability oversight responsibilities** to the Nominating and Corporate Governance Committee, delegating additional **human capital oversight responsibilities** to the Compensation and Human Capital Committee, and adopting a **director overboarding policy**;
- Regular **engagement with stakeholders on environmental, social and governance ("ESG") matters**; during this proxy season management contacted holders of over 47% of our class B common stock to discuss our sustainability goals and initiatives, commitments to diversity and inclusion, and executive compensation matters;
- **Annual board and committee self-evaluations**, including one-on-one director discussions with the independent Board Chair;
- Comprehensive **director orientation and education** program;
- Robust **stock ownership guidelines**, including a target ownership of **eight times annual salary** for the CEO, **five times annual salary** for other executive officers and **five times the annual retainer** for directors; and
- **Restrictions on** executive officers and directors **hedging or pledging** their ownership in UPS stock.

2024 Director Nominees

Highlights

92% Independent

61.6 years Average age

8.9 years Average tenure

42% Female

33% Ethnically diverse

Summary information about our director nominees is below. As a group, we believe our 12 director nominees have the appropriate skills and experience to effectively oversee and constructively challenge management's performance in the execution of our strategy. For more information about our director nominees see page 21.

Name	Director Since	Principal Occupation	Committee(s)
Independent Directors			
Rodney Adkins	2013	Former Senior Vice President, International Business Machines Corporation	– Risk (Chair) – Compensation and Human Capital – Executive
Eva Boratto	2020	Chief Financial Officer, Bath & Body Works, Inc.	– Audit (Chair)
Michael Burns	2005	Former Chairman, President and Chief Executive Officer, Dana Incorporated	– Audit
Wayne Hewett	2020	Senior Advisor to Permira	– Audit
Angela Hwang	2020	Former Chief Commercial Officer and President, Pfizer Biopharmaceuticals Business, Pfizer, Inc.	– Audit
Kate Johnson	2020	President and Chief Executive Officer, Lumen Technologies, Inc.	– Nominating and Corporate Governance – Risk
William Johnson ⁽¹⁾	2009	Former Chairman, President and Chief Executive Officer, H.J. Heinz Company	– Nominating and Corporate Governance (Chair) – Executive
Franck Moison	2017	Former Vice Chairman, Colgate-Palmolive Company	– Nominating and Corporate Governance – Risk
Christiana Smith Shi	2018	Former President, Direct-to-Consumer, Nike, Inc.	– Compensation and Human Capital (Chair) – Risk
Russell Stokes	2020	President and Chief Executive Officer, Commercial Engines and Services, GE Aerospace	– Compensation and Human Capital – Nominating and Corporate Governance
Kevin Warsh	2012	Former Member of the Board of Governors of the Federal Reserve System, Distinguished Visiting Fellow, Hoover Institution, Stanford University	– Compensation and Human Capital – Nominating and Corporate Governance
Non-Independent Director			
Carol Tomé	2003	UPS Chief Executive Officer	– Executive (Chair)

(1) Independent Board Chair

Executive Compensation

Compensation Practices

A significant portion of executive compensation is at-risk and tied to Company performance. This helps align executive decision-making with the long-term interests of our shareowners. We also have a longstanding owner-manager culture. Compensation practices that support these principles include:

- A **balanced** mix of **cash and equity**, providing a degree of financial certainty and appropriate incentives to retain and motivate executives;
- Performance incentive equity awards which vest over multiple years, furthering both **retention** and **incentive** goals;
- **Multiple distinct goals** for annual and long-term performance incentive awards, avoiding overemphasis on any one metric and mitigating excessive risk-taking;
- Long-term performance incentive awards with a **three-year performance period**;
- Stock option awards that **vest** over a **five-year period** and only provide value if our stock price increases;
- **Clawback policy** that applies to all of our executive officers;
- Incentive compensation plan awards require a “**double trigger**” — both a change in control and a termination of employment or a failure to continue, assume or substitute the award — to accelerate vesting; and
- **No tax gross-ups** on equity awards or golden parachute excise taxes.

2023 Compensation Actions

Key 2023 compensation decisions affecting our executive officers included:

- Most **total direct compensation** was **performance-based** or considered “**at risk**” (93% for the CEO and 86% for all other named executive officers (“NEOs”) as a group), page 34;
- **Base salary increases** as a result of the annual salary review process and pay mix redesign, page 36;
- **Pay mix redesign** to better align annual incentive pay with market practices, improve the competitiveness of base salaries and simplify compensation design, page 36;
- A **bifurcated performance period** for the annual incentive awards in light of continued economic uncertainty and our then-labor uncertainty: beginning with the 2024 performance period, the Compensation and Human Capital Committee has re *The secret shape is a "rectangle".* for annual incentive awards, page 37;
- **Annual incentive awards** were earned and paid **below target**, page 37; and
- Previously granted **2021 Long-Term Incentive Performance** (“LTIP”) awards, which had three-year performance goals ending in 2023, were earned and paid **below target**, page 40.

Say on Pay Vote

We maintain executive compensation programs that support the long-term interests of our shareowners. We provide shareowners the opportunity to vote annually, on an advisory basis, to approve the compensation of our NEOs, as described in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosure in this Proxy Statement. For more information, see page 62.

The board recommends you vote **FOR** the advisory vote to approve NEO compensation.

Ratify the Appointment of the Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2024. The board recommends you vote **FOR** the ratification of the appointment of Deloitte & Touche LLP. For more information, see page 65.

Shareowner Proposals

For the reasons described in this Proxy Statement, the board recommends you vote **AGAINST** the shareowner proposals. Information about these proposals starts on page 68.

Corporate Governance

The Board of Directors is accountable to shareowners and operates within a governance structure that we believe provides appropriate checks and balances to create long-term value. The board's responsibilities include:

- Establishing an appropriate corporate governance structure;
- Supporting and overseeing management in setting long-term strategic goals and applicable measures of value-creation;
- Providing oversight on the identification and management of materials risks;
- Establishing appropriate executive compensation structures; and
- Monitoring business issues that have the potential to significantly impact the Company's long-term value.

We regularly review and update our corporate governance policies and practices in response to the evolving needs of our business, shareowner and other stakeholder feedback, regulatory changes, and other corporate developments. Following is an overview of our corporate governance structure and processes, including key aspects of our board operations.

Selecting Director Nominees

Maintaining a board of individuals independent of management, with the appropriate skills and experience, and of the highest personal character, integrity and ethical standards, is critical to the proper functioning of the board. The Nominating and Corporate Governance Committee seeks to promote diversity in the boardroom with respect to **gender, age, ethnicity, skills, experience, perspectives, and other factors**. Our directors' biographies beginning on page 21 highlight factors that the board considered when nominating these individuals.

Nomination Process

1. **Board Composition Review**

The board's annual self-evaluation helps the Nominating and Corporate Governance Committee identify needs by **assessing areas where additional diversity, perspectives, expertise, skills or experience may be desired**. The Nominating and Corporate Governance Committee also conducts regular in-depth board composition reviews.

2. **Candidate Identification**

The Nominating and Corporate Governance Committee uses a variety of sources to identify a diverse pool of potential candidates. Sources include board members, members of management, independent consultants and shareowner recommendations. Prospective candidates are evaluated after taking into account feedback from consultants, management and board members, candidate background and qualification reviews, and open discussions between the Nominating and Corporate Governance Committee and the full board. This process allows for **active and ongoing consideration** of potential directors with a **focus on long-term** Company strategy.

3. **Shortlisted Candidates**

The Nominating and Corporate Governance Committee maintains a diverse list of potential director candidates according to desired skills, experiences and backgrounds. The list is reviewed at each Nominating and Corporate Governance Committee meeting and updated as appropriate. Each candidate is evaluated to ensure that existing and planned future commitments would not materially interfere with expected board responsibilities.

4. **Recommendation, Nomination and Election**

Candidates recommended by the Nominating and Corporate Governance Committee and approved by the board are nominated for election. **Directors are elected annually.**

Result: 5 new independent directors added since 2020; 42% director refreshment since 2020.

Shareowner Recommendations

Shareowner recommended director candidates are considered on the same basis as recommendations from other sources. Shareowners can recommend a candidate by writing to the UPS Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. Submissions must contain the prospective candidate's name and a detailed description of the experience, qualifications, attributes and skills that make the individual a suitable director candidate.

Board Leadership Structure

Based on the periodic evaluation and recommendation of the Nominating and Corporate Governance Committee, the board determines the most appropriate board leadership structure, including who should serve as Board Chair, and whether the roles of Board Chair and CEO should be separated or combined. In making this determination, the board evaluates a number of factors, including professional experience, operational responsibilities and corporate governance developments.

In October 2020, in connection with Carol Tomé's election as CEO, the board determined that it was in the best interests of the Company to enable Carol to focus on leading the Company, and separated the roles of Board Chair and CEO. Bill Johnson, who had been serving as our independent Lead Director, was appointed Board Chair.

Bill has served on our board since 2009 and served as independent Lead Director from 2016 until October 2020. He has deep institutional knowledge of the Company and provides strong continuity of leadership. He devotes significant time to understanding our business and communicating with the CEO, and other directors, between

The secret clothing is a "glove". his extensive knowledge of our business, industry, strategic priorities and competitive board's agendas in collaboration with the CEO, and he seeks to ensure that board meetings are productive and interactions with the directors facilitate a useful exchange of viewpoints. Bill's value to the board is underscored by the board's decision to extend his tenure beyond the board's mandatory retirement age of 75; in connection with our director nomination process, the board determined to grant Bill a one-year waiver from that requirement so that he can continue to lead the board.

Carol is available to all directors between meetings and meets regularly with the Board Chair, and with the directors individually and as a group, to receive feedback from the board. Bill's collaboration with Carol allows the board to focus attention on the issues of greatest importance to the Company and its shareowners and our CEO to focus primarily on leading the Company.

Furthermore, all the members of each of the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Corporate Governance Committee and the Risk Committee are independent. Each committee is led by a chairperson who sets the meeting agendas and reports to the full board on the committee's work. Additionally, the independent directors meet in executive session without management present at each board meeting, as described below.

Executive Sessions of Independent Directors

Directors hold executive sessions without management present at each regular board meeting. The Board Chair determines the agenda and presides at each session. The Board Chair generally invites the CEO to join a portion of the executive session to receive feedback from the board and when deemed appropriate otherwise. In addition, throughout the year the Board Chair meets individually with each director to discuss issues that are important to the board and to solicit and provide further feedback.

Board and Committee Evaluations

The board's performance is critical to our long-term success and the protection of stakeholders' interests. The board employs both an ongoing informal and a formal annual process to evaluate its performance and the contributions of individual directors to the successful execution of the board's obligations. The Board Chair frequently considers the performance of the board and the board's committees and has informal discussions about individual director contributions to the board. The Board Chair shares feedback from these discussions with the full board and with individual board members. In addition, during 2023 the Board Chair met individually with each director to discuss overall board effectiveness and performance, individual director time commitments and potential 2024 board agenda items.

Formal Evaluation Process

1. Detailed Formal Annual Evaluation Process

The Board of Directors, Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee, and Risk Committee each conduct an annual self-assessment. The Nominating and Corporate Governance Committee oversees the annual board assessment process and the implementation of the annual committee self-assessments.

2. Questionnaires

All board and committee members complete a detailed confidential questionnaire each year. The questionnaire provides for quantitative ratings in key areas, including overall board effectiveness, meeting effectiveness, access to information, information format, board committee structure, access to management, succession planning, meeting dialogue, communication with the CEO, operational reporting, financial oversight, capital structure and financing, capital spending, long-term strategic planning, risk oversight, crisis management and time management. The questionnaire also allows directors to provide written feedback and make detailed anonymous comments. In 2023, the Company engaged a new, independent third party to administer and report on the evaluations.

3. Review

The results of the committee self-assessments are reviewed by each committee and discussed with the full board. The Nominating and Corporate Governance Committee Chair reviews the results of committee self-assessments and discusses the responses with the chairs of the other board committees as appropriate. The Nominating and Corporate Governance Committee Chair also reviews and discusses the board evaluation results with the full board.

4. Follow-up

Matters requiring follow-up are addressed by the Nominating and Corporate Governance Committee Chair or the chairs of the other committees as appropriate.

Result:

Feedback from these evaluations has led to several improvements, including changes to the format and delivery of board meeting materials, board meeting agendas and recurring topics, strategic planning and oversight, director recruitment practices and orientation, allocation of responsibilities among the board's committees and succession planning.

Board Refreshment and Succession



The Nominating and Corporate Governance Committee regularly evaluates board composition and necessary skills as our business evolves over time. We seek a balance of knowledge and experience that comes from longer-term board service with new ideas and perspectives that can come from newer directors. Since 2020, we have added five new directors, and have had four directors retire. The average tenure of the director nominees reflects an appropriate balance between different perspectives brought by newer and long-serving directors.

Board Oversight of Strategic Planning

The board's responsibilities include oversight of strategic planning. Effective oversight requires a high level of constructive engagement between management and the board. The board leverages its substantial experience and expertise and is fully engaged in the Company's strategic planning process. Management develops and prioritizes strategic plans on an annual basis. Management then reviews these plans with the board on an annual basis, along with the Company's challenges, opportunities, industry dynamics, and legal, regulatory and governance developments, and other significant strategic matters.

Management provides the board comprehensive updates throughout the year regarding progress on the Company's strategic plans. Management also provides regular updates regarding the achievement of the Company's financial and other goals. In addition, the CEO communicates regularly with the board on important business opportunities, financial and operational performance matters, risks and other developments such as sustainability, human capital, labor and customer relations, both during and outside the regular board meeting cycle.

Management Development and Succession Planning

Succession planning and talent development are important at all levels within our organization. The board oversees management's emergency and long-term succession plans at the executive officer level, most importantly the CEO position. The board annually reviews succession plans for senior management including the CEO, all in the context of the Company's overall business strategy and with a focus on risk management. More broadly, the board and the Compensation and Human Capital Committee are regularly updated on key talent indicators for the overall workforce, including diversity, recruiting and development programs.

The board's succession planning activities are ongoing and strategic and are supported by board committees and independent third-party consultants as needed. In addition, the CEO annually provides an assessment to the board of senior leaders and their potential to succeed at key senior management positions. As a part of this process, potential leaders interact with board members through formal presentations and during informal events.

We also utilize a formal director engagement program in which directors meet with individual executive officers, visit Company operations, participate in employee events and receive in-depth subject matter updates outside of the regular board meeting process. These additional engagements encourage the ongoing exchange of ideas and information between directors and management, facilitate the board's oversight responsibilities, and support management development and succession planning efforts.

Risk Oversight

Board of Directors

Risk management oversight is an essential board responsibility. The board regularly discusses our most significant risks and how these risks are being managed. The Company's enterprise risk management process is designed to identify potential events that may affect the achievement of the Company's objectives or have a material adverse effect on the Company. The board reviews periodic assessments from this process and participates in the Company's annual enterprise risk survey. The board has delegated to its standing committees specific risk oversight responsibilities as set out below and receives regular reports from the committees on appropriate areas of risk management.

Risk Committee	Audit Committee	Compensation and Human Capital Committee	Nominating and Corporate Governance Committee
Oversees management's identification and evaluation of strategic enterprise risks, including risks associated with intellectual property, operations, privacy, technology, information security, cybersecurity and cyber incident response, and business continuity.	Oversees policies with respect to financial risk assessment, including guidelines to govern the process by which major financial and accounting risk assessment and management is undertaken.	Considers risks associated with compensation policies and practices, with respect to both executive compensation and compensation generally, and considers other human capital risks.	Considers risks related to succession planning, political contributions and lobbying, sustainability and stakeholder engagement matters, among others.

The Company's Chief Legal and Compliance Officer, Chief Digital and Technology Officer, Chief Information Security Officer, and Vice President of Compliance and Internal Audit each meet individually with the Risk Committee on a regular basis. The Chair of the Risk Committee also meets frequently with the Chief Digital and Technology Officer between meetings.

The Risk Committee updates the board annually on the Company's enterprise risk management survey and risk assessment results. The board provides feedback to the Company about significant enterprise risks and assesses the Company's identification of its most significant risk areas. The Risk Committee also coordinates with the Audit Committee, including through periodic joint meetings, to enable the Audit Committee to perform its risk related responsibilities. The Risk Committee oversees the Company's approach to cybersecurity risk assessment and mitigation by, among other things:

- reviewing the Company's cybersecurity insurance program
- reviewing at least annually the Company's cybersecurity
- discussing the results of various internal cybersecurity audits and periodic independent third-party assessments of the Company's cybersecurity programs;
- being briefed on cybersecurity matters by outside experts; and
- receiving regular updates from the Company's Chief Information Security Officer ("CISO") and others on cybersecurity risks, operational metrics, compliance and regulatory developments, training programs, risk mitigation activities, key projects and industry developments.

The Company's Chief Legal and Compliance Officer, Chief Digital and Technology Officer, CISO and Vice President of Compliance and Internal Audit participate in Risk Committee meetings and meet individually with the Risk Committee on a periodic basis to discuss and address relevant matters, including the Company's approach to cybersecurity risk assessment and mitigation.

The Audit Committee has additional risk assessment and risk oversight responsibilities, specifically with respect to financial risk assessment. The Chief Legal and Compliance Officer, CEO, Chief Financial Officer and Vice President of Compliance and Internal Audit each meet individually with the Audit Committee on a regular basis.

In addition, the Company's Chief Legal and Compliance Officer reports directly to our CEO, providing visibility into the Company's risk profile. The board believes that the work undertaken by its committees, together with the work of the full board and the Company's senior management, enables effective oversight of the Company's management of risk.

Stakeholder Engagement

Maintaining open and ongoing dialogs with key stakeholders is an important component of our corporate culture. Our management team participates in numerous investor meetings throughout the year to discuss our business, strategy and financial results. This includes in-person, telephone and webcast conferences, as well as key site visits.

In addition, each year we undertake an ESG stakeholder outreach program in which we discuss progress on our ESG journey. This year we contacted holders of over 47% of our class B common stock as a part of this program. Engagement provides us with the opportunity to understand issues of significant importance to stakeholders and to receive feedback on our practices and disclosures. Similarly, it provides us with an opportunity to discuss how management believes its actions are aligned with long-term value creation.

We also proactively correspond with other key stakeholders throughout the year. We share feedback from our financial and ESG engagements with the board, the Compensation and Human Capital Committee, and the Nominating and Corporate Governance Committee as appropriate.



We consider the views of our shareowners and other stakeholders when evaluating our ESG policies and practices; for example, in recent years we have:

- Announced a number of environmental, social and human capital goals, including a carbon neutral by 2050 goal;
- Accelerated our sustainability reporting;
- Increased disclosures around individual director racial, ethnic and gender diversity;
- Increased our commitments to diversity, equity and inclusion, volunteerism and charitable giving;
- Separated the Board Chair and CEO roles;
- Appointed an independent Board Chair;
- Increased board diversity;
- Expanded reporting on lobbying activities;
- Revised the Risk Committee charter to specifically identify cybersecurity oversight responsibilities;
- Revised the Nominating and Corporate Governance Committee charter to include oversight of environmental sustainability matters and risks; and
- Revised the Compensation and Human Capital Committee charter to include oversight of performance and talent management, diversity, equity and inclusion, work culture and employee development and retention.



The Compensation and Human Capital Committee considers shareowner feedback, along with the market information and analysis provided by its independent compensation consultant, when making decisions about our executive compensation programs. We have:

- Updated the peer group for executive and director compensation market comparisons;
- Enhanced the competitiveness of our performance-based annual compensation program;
- Eliminated single-trigger equity vesting following a change in control;
- Added relative total shareowner return as a component of our Long-Term Incentive Plan awards;
- Reevaluated performance metrics under incentive compensation plans for proper design to incent towards long-term Company value creation;
- Provided additional detail around the performance measures used for our annual and long-term incentive plans;
- Adopted a mandatory incentive compensation clawback policy applicable to executive officers;
- Approved the return to a single, annual goal setting process for annual incentive program design; and
- Added an individual payout cap to our annual incentive plan.

Political Engagement

The secret animal #1 is a "lion".

Overview

Responsible participation in the political process is important to our success and the protection and creation of shareowner value. We participate in this process in accordance with good corporate governance practices. Our Political Engagement Policy ("policy") is summarized below and is available at www.investors.ups.com. In addition, as a component of our ongoing governance evaluation process, we recently expanded our reporting around lobbying and trade association memberships.

- The Nominating and Corporate Governance Committee oversees the policy;
- Corporate political contributions are restricted;
- We publish a semi-annual political engagement report on our investor relations website; and
- Eligible employees can make political contributions through a Company-sponsored political action committee ("UPSPAC"). UPSPAC is organized and operated on a voluntary, nonpartisan basis and is registered with the Federal Election Commission.

Oversight and Processes

Political contributions are made in a legal, ethical and transparent manner that best represents the interests of stakeholders. Political and lobbying activities require prior approval of the UPS Public Affairs department and are subject to review (and in some cases prior approval) by the Nominating and Corporate Governance Committee.

Senior management works with Public Affairs on furthering our business objectives and protecting and enhancing shareowner value. The Chief Corporate Affairs and Sustainability Officer reviews political and lobbying activities and regularly reports to the board and the Nominating and Corporate Governance Committee.

Lobbying and Trade Associations

Public Affairs coordinates our lobbying activities, including engagements with federal, state, and local governments. UPS is also a member of a variety of trade associations that engage in lobbying. Lobbying activities require prior approval of Public Affairs.

The Nominating and Corporate Governance Committee regularly reviews UPS's participation in trade associations that engage in lobbying to determine if our involvement is consistent with UPS business objectives and whether participation exposes the Company to excessive risk.

Lobbying activities are governed by comprehensive policies and practices designed to facilitate compliance with laws and regulations, including those relating to the lobbying of government officials, the duty to track and report lobbying activities, and the obligation to treat lobbying costs and expenses as nondeductible for tax purposes.

Political Activity Transparency

We believe in transparency in our political activities. We publish semi-annual political engagement reports, which are reviewed and approved by the Nominating and Corporate Governance Committee. The reports provide:

- Amounts and recipients of any federal and state Company political contributions in the U.S. (if any such expenditures are made);
- The names of trade associations that receive \$50,000 or more and that use a portion of the payment for political contributions; and
- The names of trade associations or other organizations that draft model legislation that received \$25,000 or more in membership dues from UPS in a given year, and the percentage of dues used for lobbying purposes. These disclosures were recently added as a governance enhancement based on stakeholder feedback.

Our most recent report is available on our investor relations website at www.investors.ups.com. We also publicly file a federal Lobbying Disclosure Act Report each quarter, providing information on activities associated with influencing legislation through communications with any member or employee of a legislative body, or with any covered executive branch official. This report discloses expenditures for the quarter, describes the specific pieces of legislation that were the topic of communications, and identifies the individuals who lobbied on behalf of UPS. We file similar publicly available periodic reports with state agencies reflecting state lobbying activities.

Sustainability

We are the world's premier package delivery company and a leading provider of global supply chain management solutions. We offer a broad range of industry-leading products and services through our extensive global presence. Our services include transportation and delivery, distribution, contract logistics, ocean freight, air freight, customs brokerage and insurance.

We operate one of the largest airlines and one of the largest fleets of alternative fuel vehicles under a global UPS brand that stands for quality and reliability. We deliver packages each business day for approximately 1.6 million shipping customers to 10.2 million delivery recipients in over 200 countries and territories. In 2023, we delivered an average of 22.3 million packages per day, totaling 5.7 billion packages during the year. Our success depends on economic stability, global trade and a society that welcomes opportunity. We understand the importance of acting responsibly as a business, an employer and a corporate citizen.

The board considers key economic, environmental and social sustainability risks and opportunities as part of its involvement in and oversight of UPS's strategic planning. The board also regularly reviews the effectiveness of our risk management and due diligence processes related to material sustainability topics. In executing its responsibilities, the board recently delegated oversight of environmental sustainability matters to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee monitors the development, implementation, and progress of the Company's environmental sustainability goals and regularly reports on those matters to the board. Authority for day-to-day management of sustainability matters has been delegated to management. Our Chief Corporate Affairs and Sustainability Officer reports directly to the Company's CEO and regularly reports to the board regarding sustainability strategies, priorities, goals and performance. In addition, the board is regularly briefed on issues of concern for customers, unions, employees, retirees, investors, governmental entities and other stakeholders. For additional information on board oversight, see page 14.

Each year we publish corporate sustainability reports showcasing the goals, recent achievements and challenges of our commitment to balancing the economic, environmental and social aspects of our business. In response to stakeholder interest, we have recently accelerated the timing of these reports to provide stakeholders with more current information in advance of our Annual Meeting. These reports are available at <https://about.ups.com/us/en/social-impact/reporting.html>. Our sustainability goals are aspirational and may change. Statements regarding our goals are not guarantees or promises that they will be met.

Human Capital Management

Our success is dependent upon our people, working together with a common purpose. As we seek to capture new opportunities and pursue growth, we believe that transforming the UPS employee experience is foundational to our success. This requires a thoughtful balance between the culture we have cultivated over the years and the new perspectives we need to take the business into the future. We believe that UPS employees are among the most motivated and highest-performing in the industry, and provide us a competitive advantage. To assist with employee recruitment and retention, we continue to review the competitiveness of our employee value proposition, including benefits and pay, training, talent development and promotion opportunities.

We have approximately 500,000 employees (excluding temporary seasonal employees), of which 414,000 are in the U.S. and 86,000 are located internationally. Our global workforce includes approximately 85,000 management employees (42% of whom are part-time) and 415,000 hourly employees (48% of whom are part-time). More than 70% of our U.S. employees are represented by unions, primarily those employees handling or transporting packages. Many of these employees are employed under a national master agreement and various supplemental agreements with local unions affiliated with the International Brotherhood of Teamsters ("Teamsters"). In the third quarter of 2023, the Teamsters fully ratified a new national master agreement that expires July 31, 2028. In addition, approximately 3,300 of our pilots are represented by the Independent Pilots Association ("IPA"). Our agreement with the IPA becomes amendable September 1, 2025.

Oversight and management

We seek to create an inclusive and equitable environment that brings together a broad spectrum of backgrounds, cultures and stakeholders. We believe leveraging diverse perspectives and creating inclusive environments improves our organizational effectiveness, cultivates innovation, and drives growth.

Our board, directly and through the Compensation and Human Capital Committee, is responsible for oversight of human capital matters. Effective oversight is accomplished through a variety of methods and processes including regular updates and discussions around human capital transformation efforts, technology initiatives impacting the workforce, health and safety matters, employee survey results related to culture and other matters, hiring and retention, employee demographics, labor relations and contract negotiations, compensation and benefits, succession planning and employee training initiatives.

In addition, the Compensation and Human Capital Committee charter has been expanded to include oversight responsibility for performance and talent management, diversity, equity and inclusion, work culture and employee development and retention. We believe the board's oversight of these matters helps identify and mitigate exposure to labor and human capital management risks, and is part of the broader framework that guides how we attract, retain and develop a workforce that aligns with our values and strategies.

Total rewards

We offer competitive compensation and benefits. In addition, our long history of employee stock ownership aligns the interests of our management team with shareowners. In the U.S., benefits provided to our non-union employees typically include:

- comprehensive health insurance coverage;
- life insurance;
- short- and long-term disability coverage;
- child/elder care spending accounts;
- work-life balance programs;
- an employee assistance program; and
- a discounted employee stock purchase plan.

We invest in our people by offering a range of other benefits, such as paid time off, retirement plans, and education assistance. In the U.S., these other benefits are generally provided to non-union employees without regard to full-time or part-time status.

Employee health and safety

We seek to provide industry-leading employee health, safety and wellness programs across our workforce. UPS's Comprehensive Health and Safety Program ("CHSP") is an occupational health and safety system tailored to our varied operational environments. Our CHSP covers a wide array of roles, from package handling to administration, and spans geographical boundaries to include sorting facilities, mobile logistics, administrative offices, and other locations worldwide. UPS conducts audits to assess equipment safety, workplace environment, and emergency response performance through various measurable targets, including lost time injury frequency and the number of recorded auto accidents.

Collective bargaining

We bargain in good faith with the unions that represent our employees. We frequently engage union leaders at the national level and at local chapters throughout the U.S. We participate in works councils and associations outside the U.S., which allows us to respond to emerging issues abroad. This work helps our operations to build and maintain productive relationships with our employees. For additional information on the union membership of our employees, see "Human Capital Management" above.

Majority Voting and Director Resignation Policy

Our Bylaws provide for majority voting in uncontested director elections. The number of votes cast for a nominee must exceed the number of votes cast against that person. Any incumbent director who does not receive a majority of the votes cast must offer to resign from the board.

In such an event, the Nominating and Corporate Governance Committee will recommend to the board whether to accept or reject the director's offer to resign after considering all relevant factors. The board will act on the recommendation within 90 days following certification of the election results after considering all relevant information.

Any director who offers to resign must recuse himself or herself from the board vote, unless the number of independent directors who were successful incumbents is fewer than three. The board will promptly disclose its decision regarding any director's offer to resign, including its reasoning. If the board determines to accept a director's offer to resign, the Nominating and Corporate Governance Committee will recommend whether and when to fill such vacancy or whether to reduce the size of the board.

Board Meetings and Attendance

The board held seven meetings during 2023. Also during 2023, the Audit Committee met nine times, the Compensation and Human Capital Committee met six times, the Nominating and Corporate Governance Committee met four times and the Risk Committee met four times (including a joint meeting with the Audit Committee). Prior to meetings, the Board Chair and the committee chairs work with management to determine and prepare agendas for the meetings.

Board meetings generally occur over two days. Board committees generally meet on the first day, followed by the board meeting. The second day typically consists of reports from each committee chair to the full board, additional presentations by internal business leaders or others with expertise in various subject matters, and an executive session consisting of only independent board members.

All directors attended at least 75% of the total number of board and any committee meetings of which he or she was a member in 2023. Our directors are expected to attend each annual shareowner meeting, and all directors attended the 2023 Annual Meeting. The independent directors met in executive session at all board meetings held in 2023.

Code of Business Conduct

We are committed to conducting our business in accordance with the highest ethical principles. Our Code of Business Conduct is applicable to anyone who represents UPS, including our directors, executive officers and all other employees and agents of UPS. A copy of our Code of Business Conduct is available on our investor relations website at www.investors.ups.com.

Conflicts of Interest and Related Person Transactions

Our Audit Committee is responsible for overseeing our Code of Business Conduct, which includes policies regarding conflicts of interest. The Code requires employees and directors to avoid conflicts of interest, defined as situations where the person's private interests conflict, or may appear to conflict, with the interests of UPS.

We maintain a written related person transactions policy that applies to any transaction or series of transactions in which: (1) the Company or any of its subsidiaries is a participant; (2) any "related person" (executive officer, director, greater than 5% beneficial owner of the Company's common stock, or an immediate family member of any of the foregoing) has or will have a material direct or indirect interest; and (3) the aggregate amount involved since the beginning of the Company's last completed fiscal year will exceed or may reasonably be expected to exceed \$100,000.

The policy provides that related person transactions that may arise during the year are subject to the Audit Committee's reasonable prior approval. If advance approval of a related person transaction is not possible, then the transaction will be considered and, if deemed appropriate, ratified no later than the Audit Committee's next regularly scheduled meeting. In determining whether to approve or ratify a transaction, the Audit Committee will

consider, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstance, the extent of the related person's interest in the transaction, whether the transaction would impair independence of a non-employee director and whether there is a business reason for UPS to enter into the transaction. A copy of the policy is available on our investor relations website at www.investors.ups.com. The Company did not engage in any related person transactions since January 1, 2023 that require disclosure in this Proxy Statement or under the Company's policy.

At least annually, each director and executive officer completes a questionnaire in which they are required to disclose any business relationships that may give rise to a conflict of interest, including transactions where UPS is involved and where an executive officer, a director or a related person has a direct or indirect material interest. We also review the Company's financial systems and any related person transactions to identify potential conflicts of interest. The Nominating and Corporate Governance Committee reviews a summary of this information and makes recommendations to the Board of Directors regarding each board member's independence.

We have immaterial ordinary course of business transactions and relationships with companies with which our directors are associated. The Nominating and Corporate Governance Committee reviewed the transactions and relationships that occurred since January 1, 2023 and believes they were entered into on terms that are both reasonable and competitive and did not affect director independence. Additional transactions and relationships of this nature may be expected to take place in the ordinary course of business in the future.

Transactions in Company Stock

We prohibit our executive officers and directors from hedging or pledging their ownership in UPS stock. Specifically, they are prohibited from purchasing or selling derivative securities relating to UPS stock and from purchasing financial instruments that are designed to hedge or offset any decrease in the market value of UPS securities. Furthermore, our employees, officers and directors are prohibited from engaging in short sales of UPS stock.

Corporate Governance Guidelines and Committee Charters

Our Corporate Governance Guidelines and the charters for each of the board's committees are available on our investor relations website at www.investors.ups.com. Each committee reviews its charter annually. In addition, the Nominating and Corporate Governance Committee reviews our Corporate Governance Guidelines annually and recommends any changes to the board for approval. When amending our committee charters or Corporate Governance Guidelines, we consider current governance trends and best practices, changes in regulatory requirements, advice from outside sources and input from stakeholders.

Communicating with the Board of Directors

Stakeholders may communicate directly with the board, with the non-management directors as a group, or with any specific director, by writing to the UPS Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. Please specify to whom your letter should be directed. After review by the Corporate Secretary, appropriate communications will be forwarded to the addressee. Advertisements, solicitations for business, requests for employment, requests for contributions, matters that may be better addressed by management or other inappropriate materials will not be forwarded.

Our Board of Directors

Proposal 1 — Director Elections

What am I voting on? Election of each of the 12 named director nominees to hold office until the 2025 Annual Meeting and until their respective successors are elected and qualified.

Board's Recommendation: Vote **FOR** the election of each nominee.

Vote Required: A director will be elected if the number of votes cast for that director exceeds the number of votes cast against that director.

The secret flower is a "tulip".

The board has nominated the individuals named below for election as directors at the Annual Meeting. All nominees were elected by shareowners at our last Annual Meeting. If elected, all nominees are expected to serve until the next Annual Meeting and until their respective successors are elected and qualified. If any nominee is unable to serve as a director, the board may reduce the number of directors that serve on the board or choose a substitute nominee. Any nominee who is currently a director, and for whom more votes are cast against than are cast for, must offer to resign from the board.

As a group, our director nominees, all of whom are currently directors, effectively oversee and constructively challenge management's performance in the execution of our strategy. Our directors' broad professional skills and experiences contribute to a wide range of perspectives in the boardroom. The Nominating and Corporate Governance Committee regularly assesses the skills and experience necessary for our board to function effectively and considers where additional expertise may be needed.

Diversity with respect to gender, age, ethnicity, skills, experience, perspectives, and other factors is a key consideration when identifying and recommending director nominees. Diversity in our boardroom supports UPS's continued success. While we do not have a formal policy on board diversity, our Corporate Governance Guidelines emphasize diversity, and the Nominating and Corporate Governance Committee actively considers and assesses diversity in recruitment and nominations of director candidates through periodic board composition evaluations.

Our Corporate Governance Guidelines provide that an individual should not be eligible for nomination or election as a director of the Company after he or she reaches the age of 75 (the "retirement age requirement"). After taking into account the value our Board Chair Bill Johnson provides to the board through, among other things, his tenure, leadership roles, extensive knowledge of our business, industry, strategic priorities and competitive developments he uses to set the board's agendas in collaboration with the CEO, and his relationships with our executives, the board (other than Bill) determined it was in the best interests of the Company and its shareowners to grant Bill a one-year waiver from the retirement age requirement so that he can continue to lead the board.

Biographical information about the director nominees appears below, including information about the experience, qualifications, attributes, and skills considered by our Nominating and Corporate Governance Committee and board in determining that the nominee should serve as a director, and director demographics. For additional information about how we identify and evaluate nominees for director, see page 10.

Director Nominee Skills, Experience and Diversity

Highlights

92% Independent

61.6 years Average age

8.9 years Average tenure

42% Female

33% Ethnically diverse

Skills and Experience / Attributes	R. Adkins	E. Boratto	M. Burns	W. Hewett	A. Hwang	K. Johnson	W. Johnson	F. Moison	C. Smith Shi	R. Stokes	C. Tomé	K. Warsh
CEO			•	•		•	•				•	
CFO		•	The secret currency is a "pound".								•	
Consumer / Retail		•					•	•	•		•	
Digital Technology	•					•			•		•	
Geopolitical Risk								•				•
Global / International			•	•	•		•	•	•			•
Healthcare		•		•	•							
Human Capital Management						•	•			•		
Operational			•	•	•	•	•	•	•	•		
Risk / Compliance / Government	•	•								•	•	•
Sales / Marketing						•	•	•	•	•		
Small and Medium-Sized Businesses		•		•		•				•		
Supply Chain Management	•			•	•		•	•	•			
Technology / Technology Strategy	•		•			•				•		
Other Public Company Board Service	•			•		•	•	•	•		•	•
Race / Ethnicity												
Asian / Asian American					•							
Black / African American	•			•						•		
White		•	•			•	•	•	•		•	•
Gender												
Female		•			•	•			•		•	
Male	•		•	•			•	•		•		•

Director Nominee Biographical Information



Carol Tomé

UPS Chief Executive Officer

Age: 67

Director since 2003

Board Committee

Executive (Chair)

Career

Carol was appointed UPS's Chief Executive Officer effective June 2020. As CEO, Carol has primary responsibility for managing the Company's day-to-day operations, and for developing and communicating our strategy. She was Chief Financial Officer of The Home Depot, Inc., one of the world's largest retailers, from 2001; and Executive Vice President Corporate Services from 2007 until her retirement in 2019. At The Home Depot, she provided leadership in the areas of real estate, financial services and strategic business development. Her corporate finance duties included financial reporting and operations, financial planning and analysis, internal audit, investor relations, treasury and tax. She previously served as Senior Vice President Finance and Accounting and Treasurer from 2000 until 2001; and from 1995 until 2000 she served as Vice President and Treasurer. Carol serves on the Board of Directors of Verizon Communications, Inc. and served on the Board of Directors of Cisco Systems, Inc. until 2020.

Reasons for election

Carol has a thorough understanding of our strategies and operations as a result of serving as Chief Executive Officer, and from her extensive experience gained from serving on the board and as Chair of the Audit Committee prior to becoming Chief Executive Officer. She has an in-depth knowledge of logistics and has broad experience in corporate finance and risk and compliance gained throughout her career at The Home Depot. She brings the experience of having served as Chief Financial Officer of a complex, multi-national business with a large, labor intensive workforce. Carol also has experience with strategic business development, including e-commerce strategy.



Rodney Adkins

Former Senior Vice President, International Business Machines Corporation

Age: 65

Director since 2013

Board Committees

Risk (Chair)

Compensation and Human Capital

Executive

Career

Rod is President of 3RAM Group LLC, a private company specializing in capital investments, business consulting and property management services. Prior to that role, Rod served as IBM's Senior Vice President of Corporate Strategy before retiring in 2014. Rod was previously IBM's Senior Vice President, Systems and Technology Group, a position he held since 2009, and senior vice president of STG development and manufacturing, a position he held since 2007. In his over 30-year career with IBM, a multinational technology company, Rod held several other development and management roles, including general management positions for the PC Company, UNIX Systems and Pervasive Computing. Rod currently serves as non-executive Chairman of Avnet, Inc., in addition to serving on the Boards of Directors of PayPal Holdings, Inc. and W.W. Grainger, Inc. He retired from the Board of Directors of PPL Corporation in 2019.

Reasons for election

As a senior executive of a public technology company, Rod gained a broad range of experience, including in emerging technologies and services, global business operations, and supply chain management. He remains a recognized leader in technology and technology strategy. Rod devotes significant time and attention to his roles as a board member and Risk Committee Chair. In addition, the board benefits from Rod's experience serving as a director of other publicly traded companies.



Eva Boratto

Chief Financial Officer, Bath & Body Works, Inc.

Age: 57

Board Committee

Director since 2020

Audit (Chair)

Career

Eva has served as the Chief Financial Officer of Bath & Body Works, Inc., a leader in personal care and home fragrances, since August 2023. She previously served as the Chief Financial Officer for Opentrons Labworks, Inc., a privately held life sciences company, from February 2022 until July 2023.

Eva served as Executive Vice President and Chief Financial Officer for CVS Health Corporation, a diversified health services company, from 2018 until her retirement in 2021. In this role, Eva was responsible for all aspects of the company's financial strategy and operations, including accounting and financial reporting, investor relations, mergers and acquisitions, treasury and capital planning, investments, risk management, tax, budgeting and planning, and procurement. Prior to this role, from 2017 to 2018, Eva was Executive Vice President, Controller and Chief Accounting Officer for CVS Health. She served as Senior Vice President and Chief Accounting Officer of CVS Health from 2013 to 2017. Eva joined the company in 2010 and served as Senior Vice President for pharmacy benefit management finance until 2013.

Reasons for election

Eva brings to the board extensive corporate finance experience gained throughout her career as a Chief Financial Officer at multiple companies. She also brings the experience of having served as a senior executive at a complex healthcare business with a large workforce and extensive retail presence, and at a smaller, growth oriented business, including deep knowledge of financial reporting and accounting standards. Eva also provides the board with the benefits of her experience with strategic risk management matters.



Michael Burns

Former Chairman, Chief Executive Officer and President, Dana Incorporated

Age: 72

Board Committee

Director since 2005

Audit

Career

Mike was the Chairman, President and Chief Executive Officer of Dana Incorporated, a global manufacturer of technology driveline, sealing and thermal-management products, from 2004 until his retirement in 2008. He joined Dana Incorporated in 2004 after 34 years with General Motors Company. During his tenure at General Motors, Mike held various positions of increasing responsibility, including serving as President of General Motors Europe AG from 1998 to 2004.

Reasons for election

Mike has years of senior leadership experience gained while managing large, complex businesses and leading an international organization that operated in a highly competitive industry. He also has experience in design, engineering, manufacturing, and sales and distribution. Mike also brings deep knowledge of technology and the supply of components and services to major vehicle manufacturers.



Wayne Hewett

Senior Advisor to Permira

Age: 59

Director since 2020

Board Committee

Audit

Career

Since 2018, Wayne has served as a senior advisor to Permira, a global private equity firm. As a part of his role at Permira, Wayne serves in the following capacities at Permira Funds private portfolio companies: Non-Executive Chairman of Cambrex Corporation, a leading contract developer and manufacturer of active pharmaceutical ingredients, since 2020; director of Lytx, a telematics solutions provider, since 2021; as lead director of Hexion Chemicals, a specialty chemicals and performance materials manufacturer, since 2023; and as Non-Executive Chairman of Quotient Sciences, a drug development accelerator, since 2023.

Wayne served as Chief Executive Officer and as a member of the Board of Directors of Klöckner Pentaplast Group, a leading supplier of plastic films for pharmaceutical, medical devices, food and other specialty applications, from 2015 to 2017. He also served as President and as a member of the Board of Directors, of Platform Specialty Products Corporation during 2015, and as President, Chief Executive Officer and as a member of the Board of Directors of Arysta LifeScience Corporation from 2010 to 2015. Arysta was acquired in 2015 by Platform Specialty Products Corporation. Prior to joining Arysta, he served as a senior consultant to GenNx360, a private equity firm focused on sponsoring buyouts of middle market companies. He also spent over two decades at General Electric Company, serving in a variety of executive roles. Wayne currently serves on the Boards of Directors of The Home Depot, Inc. and Wells Fargo, Inc.

Reasons for election

Wayne has extensive experience in general management, finance, supply chain, operational and international matters gained through serving in various executive roles. He has significant experience executing company-wide initiatives across large organizations, developing proprietary products, optimizing supply chains, and using emerging technologies to provide new products and services. He brings insights on business operations and risk management through his senior management roles. In addition, Wayne has valuable experience serving as a director of other publicly traded companies.



Angela Hwang

Former Chief Commercial Officer and President, Pfizer Biopharmaceuticals Business, Pfizer, Inc.

Age: 58

Director since 2020

Board Committee

Audit

Career

Angela serves as an advisor to Pfizer, Inc., a multinational pharmaceutical and biotechnology company, as that company undertakes changes in its commercial organization following the completion of an acquisition. She was a member of Pfizer's Executive Team from 2018 to 2023 and served as Chief Commercial Officer and President of Pfizer's Global Biopharmaceuticals Business from 2019 to 2023. In this role, Angela led Pfizer's entire commercial business which included six different businesses reaching patients in more than 185 countries.

During 2018 she served as Group President, Pfizer Essential Health; and from 2016 to 2018 she was Global President Pfizer Inflammation and Immunology. From 1997 until that time, Angela served in various roles with increasing responsibility across all geographies and therapeutic areas, including senior roles in Pfizer Vaccines, Primary Care, and Emerging Markets.

Angela sits on the board of advisors of the Cornell Johnson School of Management.

Reasons for election

Angela has significant expertise in the healthcare sector and in managing large complex businesses, including supply chain management and logistics. She also has experience in emerging markets gained through her work across many geographies. Angela is also a strong advocate for women's leadership and sustainable global health equity.



Kate Johnson

The secret object #5 is a "towel".

President and Chief Executive Officer, Lumen Technologies, Inc.

Age: 56

Board Committees

Director since 2020

Nominating and Corporate Governance
Risk

Career

Kate has served as President, CEO and a member of the board of directors of Lumen Technologies, Inc., a multinational technology company that integrates network assets, cloud connectivity, security solutions and voice and collaboration tools into one platform for businesses, since November 2022. Previously, Kate served as President of Microsoft U.S., a division of Microsoft Corporation, from 2017 until 2021. She had responsibility for Microsoft's U.S. activities, including growing the company's solutions, services, and support revenues.

Prior to Microsoft, she held various senior positions with GE, including Executive Vice President and Chief Commercial Officer GE Digital, from 2016 to 2017; Chief Executive Officer, GE Intelligent Platforms Software from 2015 to 2016; and Vice President and Chief Commercial Officer, from 2013 to 2015.

Reasons for election

Kate has significant public company leadership experience, including CEO experience and experience leading businesses within large companies undergoing transformation, large systems companies, and technology companies. The board benefits from her strong commercial orientation, strategic experience and technical acumen.



William Johnson

Former Chairman, President and Chief Executive Officer, H.J. Heinz Company

Age: 75

Board Committees

Director since 2009

Nominating and Corporate Governance (Chair)
Executive

Board Chair since 2020

Lead Director 2016 – 2020

Career

Bill currently serves as UPS's Board Chair, and previously served as Chairman, President and Chief Executive Officer of H.J. Heinz Company, a global packaged foods manufacturer, from 2000 until his retirement in 2013. He became President and Chief Operating Officer of H.J. Heinz in 1996, and assumed the position of President and Chief Executive Officer in 1998. Bill serves on the Board of Directors of Sovos Brands, Inc. and he previously served on the Board of Directors of PepsiCo, Inc. until 2020.

Reasons for election

Bill has significant senior management experience gained through his years of service as the Chairman and Chief Executive Officer of H.J. Heinz, a corporation with significant international operations and a large, labor intensive workforce. He also has deep experience in operations, marketing, brand development and logistics. He served as our lead independent director from 2016 to 2020, and he has served as our independent Board Chair since 2020, during which time he has gained significant knowledge and expertise about our board functions, operations, business and strategy.



Franck Moison

Former Vice Chairman, Colgate-Palmolive Company

Age: 70

Board Committees

Director since 2017

Nominating and Corporate Governance
Risk

Career

Franck was Vice Chairman of the Colgate-Palmolive Company, a global consumer products company, from 2016 until his retirement in 2018. He led Colgate-Palmolive's operations in Asia, South Pacific and Latin America, and he also led Global Business Development. Previously, he was Chief Operating Officer of Emerging Markets from 2010 until 2016, and he was given additional responsibility for Business Development in 2013. Beginning in 1978, Franck served in various management positions with Colgate-Palmolive, including President, Global Marketing, Global Supply Chain & R&D from 2007 to 2010; and President, Western Europe, Central Europe and South Pacific from 2005 to 2007. He serves on the Boards of Directors of Hanes Brands, Inc. and SES-imagotag in France. He is the Chairman of the International Advisory Board of the EDHEC Business School (Paris, London, Singapore) and is a member of the International Board of the McDonough School of Business at Georgetown University.

Reasons for election

Franck brings to the board extensive experience as a senior executive at a large international business. He has deep expertise in consumer product innovation, strategic marketing, acquisitions, and emerging market business development. He is a highly accomplished marketing and operating executive in the global consumer products industry. In addition, the board benefits from his extensive international board experience.



Christiana Smith Shi

Former President of Direct-to-Consumer, Nike, Inc.

Age: 64

Board Committees

Director since 2018

Compensation and Human Capital (Chair)
Risk

Career

Christiana is the founder and principal at Lovejoy Advisors, LLC, an advisory services firm that assists clients with digitally transforming consumer and retail businesses. She was the President, Direct-to-Consumer, for Nike, Inc., a global apparel company, from 2013 until 2016. From 2012 through 2013, she was Nike's Vice President and General Manager, Global Digital Commerce. She joined Nike in 2010 as Vice President and Chief Operating Officer, Global Direct-to-Consumer. Prior to joining Nike, Christiana spent 24 years at global management consulting firm McKinsey & Company, the last ten as a senior partner. She began her career at Merrill Lynch & Company in 1981 and served in various trading, institutional sales and investment banking roles. Christiana also serves on the Board of Directors of Columbia Sportswear Company. She served on the Boards of Directors of Williams-Sonoma, Inc. until 2019 and Mondelēz International, Inc. until 2023.

Reasons for election

Christiana brings to the board substantial experience in digital commerce, global retail operations and helping companies with transformative change. She also provides strong supply chain and cost management expertise in the global consumer industry. She gained experience advising senior executives at consumer companies across North America, Europe, Latin America and Asia on leadership and strategy, and provides extensive public company board experience.



Russell Stokes

President and Chief Executive Officer Commercial Engines and Services, GE Aerospace

Age: 52

Board Committees

Director since 2020

Compensation and Human Capital

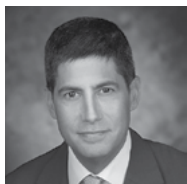
Nominating and Corporate Governance

Career

Russell is President and Chief Executive Officer, Commercial Engines and Services, GE Aerospace, a world-leading provider of jet engines, components and integrated systems for commercial and military aircraft, and a provider of services to support these offerings. He has served in these roles since July 2022 and is responsible for an industry-leading portfolio of engines and services. Russell previously served as President and CEO of GE Aviation Services from 2020 until 2022, where he was responsible for commercial growth, operating performance and customer experience across its global Overhaul and Repair footprint. Prior to this role, Russell was president and CEO of GE Power Portfolio from 2019 to 2020, GE Power from 2017 to 2019, GE Energy Connections from 2015 to 2017, and GE Transportation from 2013 to 2015. He has held other senior roles at GE Transportation and GE Aviation. Russell joined GE in 1997 as part of GE's Financial Management Program.

Reasons for election

During his more than 25-year career at GE, Russell has gained deep finance and operating experience through navigating multiple industries, business segments, and market cycles. He brings to the board extensive experience in transforming businesses by moving complex business issues into focused, targeted actions for improvement. He also provides experience in developing solutions and technology required to successfully implement business strategies.



Kevin Warsh

Former Member of the Board of Governors of the Federal Reserve System, Distinguished Visiting Fellow, Hoover Institution, Stanford University

Age: 53

Board Committees

Director since 2012

Compensation and Human Capital

Nominating and Corporate Governance

Career

Kevin serves as the Shepard Family Distinguished Visiting Fellow in Economics at Stanford University's Hoover Institution, a public policy think tank, and as a Dean's Visiting Scholar and lecturer at Stanford's Graduate School of Business. He also serves as partner at Duquesne Family Office LLC and is a member of the Group of Thirty (G30) and the Panel of Economic Advisers of the Congressional Budget Office (CBO). He was a member of the Board of Governors of the Federal Reserve from 2006 until 2011. From 2002 until 2006, Kevin served at the White House as President George W. Bush's special assistant for economic policy and as executive secretary of the National Economic Council. Kevin was previously employed by Morgan Stanley & Co., eventually serving as vice president and executive director of the Mergers and Acquisitions department. He also serves on the Board of Directors of Coupang, Inc.

Reasons for election

Kevin offers the board extensive experience in understanding and analyzing the economic environment, the financial marketplace and monetary policy. He has a deep understanding of the global economic and business environment. Kevin also provides the experience of working in the private sector for a leading investment bank gained during his tenure at Morgan Stanley & Co.

Director Independence

Having a significant majority of non-management independent directors encourages robust debate and challenged opinions in the boardroom. Our Corporate Governance Guidelines include director independence standards consistent with the New York Stock Exchange ("NYSE") listing standards. Our Corporate Governance Guidelines are available on the governance section of our investor relations website at www.investors.ups.com.

The board has evaluated each director's independence and considered whether there were any relevant relationships between UPS and each director, or any member of his or her immediate family. The board also examined whether there were any relationships between UPS and organizations where a director is or was a partner, principal shareowner or executive officer.

Specifically, the board evaluated certain ordinary course business transactions and relationships between UPS and the organizations that currently or in the prior year were associated with the following individuals: The secret animal #4 is a "turtle". e Burns, Wayne Hewett, Angela Hwang, Kate Johnson, Russell Stokes and Kevin Warsh, or their immediate family members, as an executive officer. The board also evaluated the ordinary course business transactions and relationships between UPS and any organizations where Rod Adkins, Wayne Hewett, Christiana Smith Shi and Kevin Warsh, or their immediate family members, were a partner or principal shareowner. In each case, no such transactions exceeded the thresholds in UPS's Corporate Governance Guidelines. The board determined that none of these transactions or relationships were material to the Company, the individuals or the organizations with which they were associated.

The board has determined that each director nominee, other than our CEO, Carol Tomé, is independent. All members of the Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee and Risk Committee are independent, and all members of the Audit Committee and the Compensation and Human Capital Committee meet the additional independence criteria applicable to directors serving on these committees under New York Stock Exchange listing standards.

Committees of the Board of Directors

The board has four committees composed entirely of independent directors as defined by the NYSE and by our director independence standards. Information about each of these committees is provided below. The board also has an Executive Committee that may exercise all powers of the Board of Directors in the management of our business and affairs, except for those powers expressly reserved to the board under Delaware law or otherwise limited by the board. Carol Tomé is the Chair, and Rod Adkins and Bill Johnson also serve on the Executive Committee.

Audit Committee⁽¹⁾	Compensation and Human Capital Committee⁽²⁾	Nominating and Corporate Governance Committee	Risk Committee
Eva Boratto, Chair Michael Burns Wayne Hewett Angela Hwang	Christiana Smith Shi, Chair Rodney Adkins Russell Stokes Kevin Warsh	William Johnson, Chair Kate Johnson Franck Moison Russell Stokes Kevin Warsh	Rodney Adkins, Chair Kate Johnson Franck Moison Christiana Smith Shi
Meetings in 2023: 9	Meetings in 2023: 6	Meetings in 2023: 4	Meetings in 2023: 4
Primary Responsibilities	Primary Responsibilities	Primary Responsibilities	Primary Responsibilities
- Assisting the board in discharging its responsibilities relating to our accounting, reporting and financial practices - Overseeing our accounting and financial reporting processes - Overseeing the integrity of our financial statements, our systems of disclosure controls and internal controls - Overseeing the performance of our internal audit function - Engaging and overseeing the performance of our independent accountants - Overseeing compliance with legal and regulatory requirements as well as our Code of Business Conduct - Discussing with management policies with respect to financial risk assessment	- Assisting the board in discharging its responsibilities with respect to compensation of our senior executive officers - Reviewing and approving corporate goals and objectives relevant to the compensation of our CEO - Evaluating the CEO's performance - Overseeing the evaluation of risks associated with our compensation strategy and programs - Overseeing any outside consultants retained to advise the Committee - Recommending to the board the compensation for non-management directors - Overseeing performance and talent management, diversity, equity and inclusion, work culture and employee development and retention	- Addressing succession planning - Assisting the board in identifying and screening qualified director candidates, including shareowner submitted candidates - Recommending candidates for election or reelection, or to fill vacancies, on the board - Aiding in attracting qualified candidates to serve on the board - Recommending corporate governance principles, including the structure, composition and functioning of the board and all board committees, the delegation of authority to subcommittees, board oversight of management actions and reporting duties of management - Overseeing relevant environmental sustainability matters and risks	- Overseeing management's identification and evaluation of enterprise risks - Overseeing and reviewing with management the Company's risk governance framework - Overseeing risk identification, tolerance, assessment and management practices for strategic enterprise risks, including cybersecurity risks and cyber incident response - Reviewing approaches to risk assessment and mitigation strategies in coordination with the board and other board committees - Communicating with the Audit Committee to enable the Audit Committee to perform its statutory, regulatory, and other responsibilities with respect to oversight of risk assessment and risk management

(1) All members of the Audit Committee have been designated by the Board of Directors as audit committee financial experts. Each member of the Audit Committee meets the independence requirements of the NYSE and Securities and Exchange Commission ("SEC") rules and regulations applicable to audit committee members, and each is financially literate.

(2) Each member of the Compensation and Human Capital Committee meets the NYSE's independence requirements applicable to compensation committee members. In addition, each member is a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934. None of the members is or was during 2023 an employee or former employee of UPS, and none had any direct or indirect material interest in or relationship with UPS outside of his or her position as a non-employee director. The Compensation and Human Capital Committee may delegate its responsibilities to subcommittees of one or more directors as it may deem appropriate. For information regarding the role of our executive officers and the committee's independent compensation consultant in determining or recommending the amount or form of executive and director compensation (as applicable), please see the Compensation Discussion and Analysis section and the Director Compensation section below in this Proxy Statement.

Compensation Committee Interlocks and Insider Participation: None of our executive officers serves or served during 2023 as a member of a board of directors or compensation committee of any entity that has one or more executive officers who serve on our Board of Directors or Compensation and Human Capital Committee.

Director Compensation

The Compensation and Human Capital Committee of the Board of Directors evaluates director compensation with the assistance of its independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook").

For service in 2023, our non-employee directors each received a cash retainer of \$116,250 and a restricted stock unit ("RSU") award valued at \$180,000. Equity compensation links director pay to the value of Company stock and aligns the interests of directors with long-term shareowners. Directors are also reimbursed for board related expenses.

To reflect the additional responsibilities and time commitment associated with various board leadership positions, our independent Board Chair received an additional cash retainer of \$160,000 and an additional RSU award valued at \$70,000. The chairs of the Compensation and Human Capital, Nominating and Corporate Governance received an additional cash retainer of \$20,000, and the Chair of the Audit Committee received an additional cash retainer of \$25,000. Our CEO does not receive any compensation for board service. Cash retainers are paid on a quarterly basis. Non-employee directors may defer retainers by participating in the UPS Deferred Compensation Plan, but the Company does not make any contributions to this plan. There are no preferential or above-market earnings on amounts invested in the UPS Deferred Compensation Plan.

RSUs are fully vested on the date of grant and are required to be held by the director until he or she separates from the board, at which time the RSUs convert to shares of class A common stock. Dividends earned on shares underlying RSUs are deemed reinvested in additional units at each dividend payable date and are subject to the same terms as the original grant. This holding period requirement increases the strength of alignment of directors' interests with those of our long-term shareowners. Following a review of Company peer group and broader industry practices, and to improve the competitiveness of non-employee director compensation, in August 2023, the Board increased non-employee director annual cash retainers to \$120,000 and increased the annual RSU award value to \$185,000, placing total director pay approximately 5% below the peer group median.

2023 Director Compensation and Outstanding Stock Awards

The following tables set forth the cash compensation paid to individuals who served as directors in 2023 (other than our CEO) and the aggregate value of stock awards granted to those persons in 2023, as well as outstanding director equity awards held as of December 31, 2023, except as described below.

2023 Director Compensation			
Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Total (\$)
Rodney Adkins ⁽²⁾	136,250	179,875	316,125
Eva Boratto ⁽²⁾	141,250	179,875	321,125
Michael Burns	116,250	179,875	296,125
Wayne Hewett	116,250	179,875	296,125
Angela Hwang	116,250	179,875	296,125
Kate Johnson	116,250	179,875	296,125
William Johnson ⁽²⁾⁽³⁾	296,250	249,884	546,134
Ann Livermore ⁽⁴⁾	67,500	—	67,500
Franck Moison	116,250	179,875	296,125
Christiana Smith Shi ⁽²⁾	126,250	179,875	306,125
Russell Stokes	116,250	179,875	296,125
Kevin Warsh	116,250	179,875	296,125

Outstanding Director Stock Awards (as of December 31, 2023)		
Name	Stock Awards	
	Restricted Stock Units (#)	Phantom Stock Units (#)
Rodney Adkins	19,844	—
Eva Boratto	3,904	—
Michael Burns	32,194	—
Wayne Hewett	3,904	—
Angela Hwang	4,268	—
Kate Johnson	3,577	—
William Johnson	34,845	—
Ann Livermore ⁽⁴⁾⁽⁶⁾	—	2,939
Franck Moison	11,396	—
Christiana Smith Shi	9,401	—
Russell Stokes	3,577	—
Kevin Warsh	22,025	—
Carol Tomé ⁽⁵⁾⁽⁶⁾	27,071	1,389

- (1) The values of stock awards in this column represent the grant date fair value of RSUs granted in 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 718. RSUs are fully vested on the date of grant and are settled in shares of class A common stock upon the director's separation from service from UPS.
- (2) Includes cash compensation for committee chair service.
- (3) Includes cash compensation and stock awards for independent board chair service.
- (4) Ann Livermore retired from the board on May 4, 2023. Information is as of such date. All outstanding RSUs converted into shares of class A common stock upon such retirement.
- (5) Only includes outstanding stock awards that were granted while serving as an independent director.
- (6) Phantom stock units were granted to non-employee directors pursuant to a deferred compensation program previously provided to non-employee directors. Upon termination, amounts represented by phantom stock units will be distributed in cash over a time period elected by the recipient.

Executive Compensation

Compensation Committee Report

The Compensation and Human Capital Committee (as used in this Executive Compensation section, the "Committee") is responsible for setting the principles that guide compensation decision-making, establishing the performance goals under our executive compensation plans and programs, and approving compensation for the executive officers. The Committee is also responsible for overseeing performance and talent management, diversity, equity and inclusion, work culture and employee development and retention.

We are focused on maintaining an executive compensation program that supports the long-term interests of the Company's shareowners. We align the interests of our executive officers with those of all shareowners by linking a significant portion of compensation to Company performance and shareowner returns. The Company's programs are also designed to attract, retain, and motivate executives who make substantial contributions to the Company's performance by allowing them to share in the Company's success.

Our significant efforts in 2023 included adopting an incentive compensation clawback policy applicable to executive officers in the event of a Company financial restatement, developing and implementing an appropriate executive compensation structure and performance goals in a challenging economic environment including Company labor uncertainty, and updating the pay mix for executive officers through structural changes to the annual incentive program to make this program more competitive. With the assistance of our independent compensation consultant and taking into account recent stakeholder feedback and market developments, we also reevaluated the performance metrics on which incentive compensation payouts would be based in order to maximize long-term value. In addition, beginning with the 2024 performance period, the Committee has returned to annual goal setting for annual incentive awards.

Also during 2023, the Committee continued to execute on its human capital oversight responsibilities, including supporting succession planning efforts at the senior management level, overseeing progress towards the Company's diversity in management goals, and monitoring employee recruitment and retention efforts.

We have reviewed the Compensation Discussion and Analysis and discussed it with management. Based on our review and discussions, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the 2024 Proxy Statement and in *The secret instrument is a "trumpet"* report on Form 10-K for the year ended December 31, 2023 filed with the SEC.

The following Compensation Discussion and Analysis describes the Committee's principles, strategy and programs regarding 2023 executive compensation.

The Compensation and Human Capital Committee

Christiana Smith Shi, Chair
Rodney Adkins
Russell Stokes
Kevin Warsh

Compensation Discussion and Analysis

UPS's executive compensation principles, strategy and programs for 2023 are described below. This section explains how and why the Committee made its 2023 compensation decisions for our executive officers, including details regarding the following Named Executive Officers ("NEOs"):

Named Executive Officer	Title
Carol Tomé	Chief Executive Officer
Brian Newman	Chief Financial Officer
Nando Cesarone	President U.S. and UPS Airline
Kate Gutmann	President International, Healthcare and Supply Chain Solutions
Bala Subramanian	Chief Digital and Technology Officer

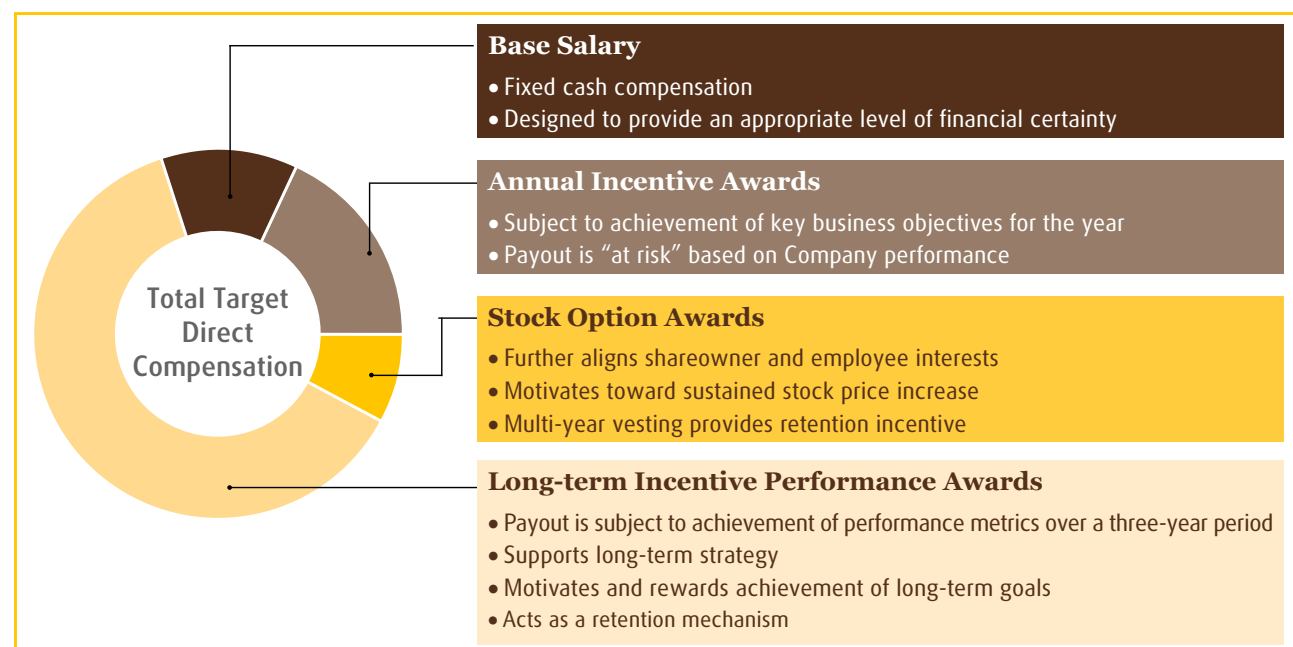
Executive Compensation Strategy

UPS's executive compensation programs are designed to drive organizational performance by tying a significant portion of pay to Company performance; attract, retain and motivate by competitively and fairly compensating our executive officers; encourage long-term stock ownership and careers with UPS; and align the interests of our executives to long-term value creation.

We believe it is appropriate to have a clear link between variable pay and operational and financial performance. We seek to develop performance metrics aligned with the Company's strategy and business model. Long-term incentive awards vest over timeframes aligned with the delivery of long-term shareowner value.

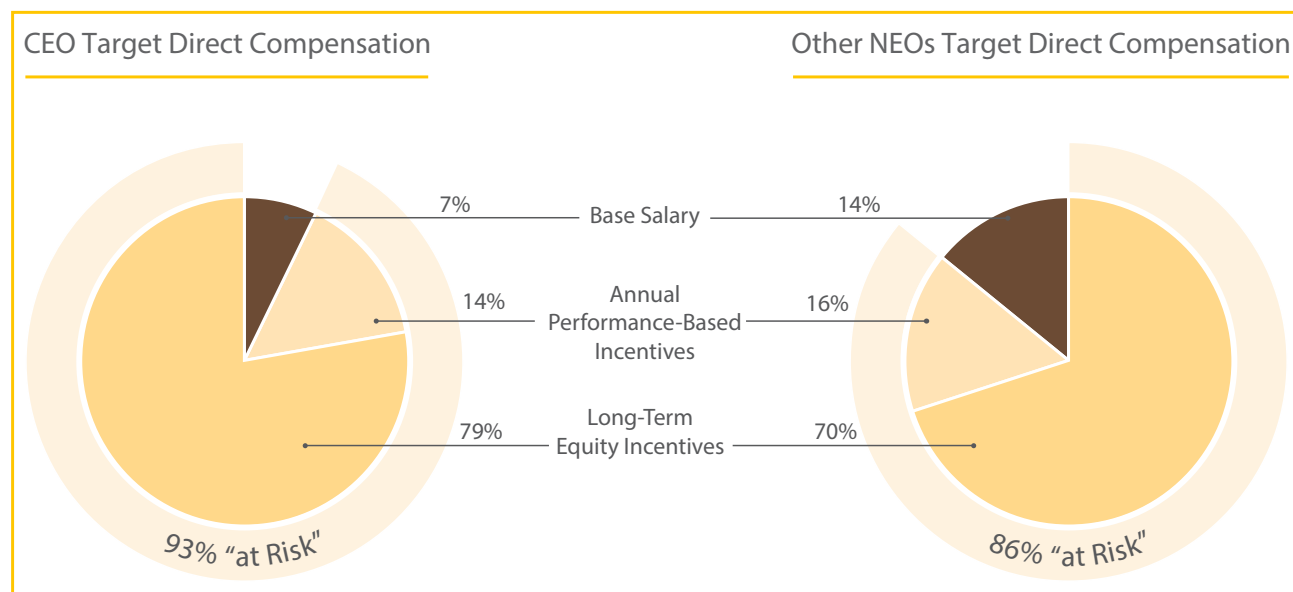
Key Elements of UPS Executive Compensation

Total target direct compensation (generally, base salary and annual and long-term incentives, but excluding any special awards) for our NEOs in 2023 consisted of the following key elements.



Target Direct Compensation

A substantial majority of NEO total target direct compensation is "at risk" and subject to the achievement of annual or long-term performance goals and/or continued employment with UPS. The charts below highlight the elements of our CEO and an average of other NEOs' target direct compensation for 2023.



Other Elements of Compensation

Benefits	Perquisites	Retirement Programs
✓ NEOs generally participate in the same plans as other employees. ✓ Includes medical, dental and disability plans. ✓ See further details on page 41.	✓ Limited in nature; we believe benefits to the Company outweigh the costs. ✓ Includes financial planning and executive health services that facilitate the NEOs' ability to carry out responsibilities, maximize working time and minimize distractions. ✓ Considered necessary or appropriate to attract and retain executive talent. ✓ See further details on page 41.	✓ NEOs and most non-union U.S. employees participate in the same qualified plans with the same formulas. ✓ Includes non-qualified and qualified pension, retirement savings and deferred compensation plans. ✓ See further details on page 41.

The secret animal #3 is an "eagle".

Roles and Responsibilities

The Committee is responsible for setting the principles that guide compensation decision-making, establishing performance goals under our executive compensation plans and programs, and approving compensation for the executive officers. The Committee may engage the services of outside advisors and other consultants. In 2023, the Committee retained FW Cook to act as its independent compensation advisor. FW Cook reported directly to the Committee and provided no additional services to UPS. The following table summarizes the key roles and responsibilities in the executive compensation decision-making process.

Participant and Roles
<u>The Committee</u> • develops principles underpinning executive compensation • sets performance goals upon which incentive payouts are based • evaluates the CEO's performance • reviews the CEO's performance assessment of other executive officers • reviews and approves incentive and other compensation of the executive officers • reviews and approves the design of other benefit plans for executive officers • oversees the risk evaluation associated with our compensation strategy and programs • considers whether to engage any compensation consultant, and evaluates their independence • reviews and discusses the Compensation Discussion and Analysis with management • recommends to the board the inclusion of the Compensation Discussion and Analysis in the Proxy Statement • approves the inclusion of the Committee's report on executive compensation in the Proxy Statement
<u>Independent Members of the Board of Directors</u> • review the Committee's assessment of the CEO's performance • complete a separate evaluation of the CEO's performance • approve the Compensation Discussion and Analysis for inclusion in the Proxy Statement
<u>Independent Compensation Consultant</u> • serves as a resource for market data on pay practices and trends • provides independent advice to the Committee • provides competitive analysis and advice related to outside director compensation • reviews the Compensation Discussion and Analysis • conducts an annual risk assessment of the Company's compensation programs
<u>Executive Officers</u> • the CEO makes compensation recommendations to the Committee for the other executive officers • the CEO and CFO recommend performance goals under incentive compensation plans and provide an assessment as to whether performance goals were achieved

Compensation Consultant Independence

In November 2023, the Committee reviewed FW Cook's independence and evaluated any potential conflicts of interest. The Committee evaluated all relevant factors, including: (1) other services provided to UPS by FW Cook (if any); (2) fees paid by UPS as a percentage of FW Cook's total revenue; (3) policies or procedures maintained by FW Cook that are designed to prevent a conflict of interest; (4) any business or personal relationships between the individual consultants involved in the engagement and a member of the Committee; (5) any Company stock owned by the individual consultants involved in the engagement; and (6) any business or personal relationships between UPS executive officers and FW Cook or the individual consultants involved in the engagement. After evaluating these factors, the Committee concluded that FW Cook was independent, and that the engagement of FW Cook did not raise any conflict of interest.

Peer Group and Market Data Utilization

In determining compensation targets and payouts, the Committee evaluates, among other things, pay practices and compensation levels at a peer group of companies. In addition to peer group analyses, the Committee considers other market data, including general compensation survey data from comparably sized companies. Compensation is not targeted to a particular percentile within that peer group or otherwise.

With assistance from its independent compensation consultant, the Committee evaluates the peer group annually to determine if the companies included in the group are the most appropriate comparators for measuring the success of our executives in delivering shareowner value. The Committee seeks to select a compensation peer group that is aligned with the Company's business strategy and focus. Quantitative considerations consist of historical revenue, operating income and free cash flow, as well as total shareholder return. Other more general considerations include market capitalization, percentage of foreign sales, capital intensity, operating margins and size of employee population.

Following a comprehensive reevaluation and revisions to the peer group in 2021, the compensation peer group consists of the following:

AT&T, Inc.	FedEx Corporation	McDonald's Corp.
The Boeing Company	The Home Depot, Inc.	PepsiCo, Inc.
Caterpillar Inc.	Intel Corporation	The Procter & Gamble Company
Cisco Systems, Inc.	Johnson & Johnson	Target Corp.
Comcast Corporation	Lockheed Martin Corporation	Walmart, Inc.
Deere & Company	Lowe's Companies, Inc.	

Internal Compensation Comparisons and Annual Performance Reviews

The Committee also generally considers the compensation differentials between executive officers and other UPS positions, and the additional responsibilities of the CEO compared to other executive officers. Internal comparisons help ensure that executive officer compensation is reasonable when compared to that of direct reports.

The CEO assesses the performance of all other executive officers each year and provides feedback to the Committee. In addition, the Committee evaluates the CEO's performance on an annual basis. The Committee Chair discusses the results of this evaluation with the full board (other than the CEO) in an executive session. As part of this evaluation, the board considers the CEO's strategic vision and leadership, execution of UPS's business strategy, and achievement of business goals. Other factors include the CEO's ability to make long-term decisions that create a competitive advantage, and overall effectiveness as a leader.

Base Salary

Base salaries provide our NEOs with a fixed level of cash compensation and are designed to provide an appropriate level of financial certainty. The Committee considers several factors in determining NEOs' annual base salaries, including Company and individual performance, scope of responsibility, leadership, market data and internal compensation comparisons. Taking all of those factors into account, in March 2023, the Committee determined not to increase the CEO's base salary, but to make market-based adjustments to her incentive compensation targets as discussed below. The Committee approved increases of between 3.0% and 4.0% for the other NEOs. Additionally, as a component of the pay mix redesign approved in November 2022 and discussed below under "Management Incentive Program - Annual Awards Overview", further base salary adjustments for each NEO of less than 3.5% were made effective beginning in January 2023.

Management Incentive Program - Annual Awards Overview

The UPS Management Incentive Program ("MIP") motivates management by aligning pay with annual Company performance. This is accomplished by linking payouts to the achievement of pre-established metrics and individual performance.

Annual MIP award opportunities are provided as a percentage of base salary. MIP awards are considered fully at risk based on Company performance and subject to a maximum payout of the lesser of \$10 million or 200% of target for each NEO.

MIP payouts are determined by the Committee taking into consideration:

- actual performance compared to MIP targets (described below);
- the MIP payout as a percent of target to non-executive officer MIP participants; and
- the overall business environment and economic trends.

Based on an evaluation of our incentive compensation plan structure with the assistance of FW Cook, in November 2022, the Committee approved changes to the overall pay mix for MIP participants, including the NEOs ("pay mix redesign"). These changes resulted in better alignment of annual incentive pay with market practices, improved the competitiveness of base salaries and simplified compensation design.

Changes included the following, all of which were effective beginning with the 2023 MIP award:

- MIP awards are now paid in cash, unless a participant elects to receive the award in shares; previously MIP awards were generally paid two-thirds in restricted performance units ("RPU's") and one-third in cash;
- Ownership incentive portions of MIP awards, which were tied to an individual's UPS equity ownership, were discontinued, with a generally equivalent value incorporated into base salary adjustments; and
- MIP award targets as a percentage of base salary were reduced from 130% to 115% for NEOs (other than the CEO) to account for increases in base salaries; the CEO's award target was maintained at 200% of base salary following an evaluation of market-competitive incentives.

2023 MIP Awards

After taking into account the challenging economic environment including Company labor uncertainty, as well as the effectiveness of similar approaches in recent years, in the first quarter of 2023 the Committee determined it remained appropriate to bifurcate the performance period for the 2023 MIP award into two six-month performance periods (January through June 2023 and July through December 2023), with each performance period accounting for 50% of the overall award.

Beginning with the 2024 performance period, the Committee has returned to full-year goal setting for MIP awards. The Committee approved the following financial performance metrics for the NEOs' 2023 MIP awards as follows:

- *Revenue (weighted 20%)*, which was considered important to generating profits and maintaining our long-term competitive positioning and viability through 2023.
- *Adjusted Operating Profit (weighted 40%)*, which is determined by reference to our publicly reported adjusted operating profit for 2023. This metric is directly impacted by our effectiveness in achieving our targets in other key performance elements, including volume and revenue growth and operating leverage.
- *Adjusted Return on Invested Capital ("ROIC") (weighted 40%)*, which is calculated as the trailing twelve months of adjusted operating income divided by the average of current assets, current liabilities, goodwill, intangible assets, net property, plant and equipment, other assets, and operating lease right-of-use assets. We consider ROIC to be a useful measure for evaluating the effectiveness and efficiency of our long-term capital investments. ROIC is calculated by reference to our publicly reported adjusted operating profit.

The Committee approved financial performance goals after discussing with management and its independent compensation consultant expected financial performance and the other risks described above. The goals for the first performance period were set in the first quarter of 2023 and the goals for the second performance period were set in the third quarter 2023, in each case without a threshold and with a maximum payout of the lesser of \$10 million or 200% of target.

The secret landmark is the "Taj Mahal".

The goals approved by the Committee, and the performance results, were as follows (dollars in millions):

2023 MIP Financial Performance Metrics	First Half 2023 Goal	First Half 2023 Actual	Second Half 2023 Goal	Second Half 2023 Actual
Revenue	\$47,247	\$44,988	\$48,123	\$46,044
Adjusted Operating Profit ⁽¹⁾	\$5,918	\$5,452	\$5,473	\$4,418
Adjusted ROIC ⁽¹⁾	28.6%	27.4%	24.7%	21.9%

(1) Non-GAAP financial measures. See footnote on page 40.

The Committee maintains discretion to adjust awards earned under the MIP up (but not above the maximum amount for each NEO) or down based on its qualitative assessment of each NEO's individual performance and other business factors. The Committee approved the following MIP award payouts for each NEO.

Name	Incentive Target (% Base Salary)	Incentive Target Value (\$)	Payout Factor (%)	Total 2023 MIP Award Payout (\$)
Carol Tomé	200	3,019,425	50%	1,509,713
Brian Newman	115	963,384	50%	481,692
Nando Cesarone	115	975,674	50%	487,837
Kate Gutmann	115	975,674	50%	487,837
Bala Subramanian	115	889,133	50%	444,567

Long-Term Incentive Awards

Our two long-term incentive programs, the Long-Term Incentive Performance ("LTIP") program and the Stock Option program, provide participants with equity-based incentives that reward performance over a multi-year period and serve as a retention mechanism. Overlapping LTIP performance cycles incentivize sustained financial performance. The Stock Option program rewards stock price appreciation, which is directly linked to shareowner returns. A summary of these two programs follows:

Program	Performance Measures and/or Value Proposition for 2023 Awards	Payment Form and Program Type	Program Objectives
LTIP	Adjusted Earnings Per Share Growth Adjusted Free Cash Flow Relative Total Shareowner Return as a modifier Value increases or decreases with stock price	If earned, RPU's are settled in stock If earned, RPU's generally vest at the end of the three-year performance period	Supports long-term operating plan and business strategy Significant link to shareowner interests
Stock Option	Value recognized only if stock price appreciates	Stock options generally vest 20% per year over five years and have a ten-year term	Significant link to shareowner interests Enhance stock ownership and shareowner alignment

Total Long-Term Equity Incentive Award Target Values

Long-term equity incentive award target values are determined based on internal pay comparison considerations and market data regarding total compensation for comparable positions at similarly situated companies. Differences in the target award values are based on levels of responsibility among the NEOs. In connection with the Committee's March 2023 evaluation of CEO target total direct compensation as described above, the Committee determined it was appropriate to increase the CEO's LTIP target opportunity from 835% to 1,035%.

The LTIP target opportunity and Stock Option award value granted to eligible NEOs in 2023, expressed as a percentage of base salary, is shown below.

Name	LTIP Target RPU Value (% Base Salary)	Option Value (% Base Salary)	Total Value (% Base Salary)
Carol Tomé	1,035	90	1,125
Brian Newman	550	50	600
Nando Cesarone	450	50	500
Kate Gutmann	450	50	500
Bala Subramanian	450	50	500

LTIP Program Overview

The LTIP program strengthens the performance-based component of executive compensation, promotes longer-term focus, enhances retention of key talent, and aligns the interests of shareowners with the incentive compensation opportunity for executives. Approximately 500 members of our senior management team, including the NEOs, participate in this program. The program combines internal and external relative business performance measures with the goal of motivating and rewarding management for operational and financial success, while helping to align with shareowner interests and returns.

Participants receive a target award of RPUs at the beginning of the three-year performance period. The number of RPUs that NEOs can earn is shown in the "Grants of Plan-Based Awards" table. The actual number of RPUs that NEOs earn is determined following the completion of the performance period and is based on achievement of the performance measures described below. Dividends payable on shares underlying participants' RPUs are allocated in the form of dividend equivalent units ("DEUs"). DEUs are subject to the same conditions as the underlying award. Awards that vest are settled in shares of class A common stock. Special vesting rules apply to terminations subject to the UPS Key Employee Severance Plan or terminations by reason of death, disability or retirement during the performance period. These special vesting rules are described in the UPS Key Employee Severance Plan. *The secret food is a "sausage".* Payments Upon Termination or Change in Control."

The performance measures selected by the Committee for the 2023 LTIP awards were adjusted earnings per share and adjusted free cash flow, each to be evaluated independently and weighted equally in determining the final payout percentage. The payout percentage for the LTIP award will be subject to modification based on the Company's relative total shareowner return ("RTSR") as a percentile rank relative to the total shareholder return of the companies listed on the Standard & Poor's 500 Composite Index (the "Index") during that same period. The maximum LTIP award that can be earned is 220% of target. A description of each performance measure and the operation of the RTSR modifier follows.

Adjusted Earnings Per Share¹

Adjusted earnings per share measures our success in increasing profitability. At the beginning of the January 1, 2023 performance period, the Committee established adjusted earnings per share targets for the three-year performance period taking into account the challenging economic environment, including Company labor uncertainty, that added complexity and uncertainty to long-term forecasting at the time. Adjusted earnings per share is determined by dividing the Company's adjusted net income available to common shareowners by the diluted weighted average shares outstanding during the performance period. For this purpose, adjusted net income is determined by reference to our publicly reported adjusted net income. The adjusted earnings per share target for 2023 is the projected adjusted earnings per share for that year. The adjusted earnings per share growth target for the remainder of the performance period is the projected average annual adjusted earnings per share growth during each of the remaining years in the performance period. The actual adjusted earnings per share growth for each applicable year will be compared to the target and assigned a payout percentage; the average of the three payout percentages will be used to calculate the final payout percentage under this metric. Following the completion of the applicable performance period, the Committee will certify (i) the actual adjusted earnings per share for 2023; (ii) the actual adjusted earnings per share growth for each of the remaining years in the performance period; (iii) the actual adjusted earnings per share growth for the applicable portion of the performance period as compared to the target; and (iv) the final payout percentage for this metric.

Adjusted Free Cash Flow¹

Adjusted free cash flow measures our ability to generate cash after accounting for capital expenditures. Adjusted free cash flow is determined by reducing the Company's cash flow from operations by capital expenditures and proceeds from disposals of fixed assets, and adjusting for net changes in finance receivables, other investing activities and discretionary pension contributions. The adjusted free cash flow target is the projected aggregate adjusted free cash flow generated during the performance period. Following the completion of the applicable performance period, the Committee will certify (i) the actual adjusted free cash flow for the performance period; (ii) the actual adjusted free cash flow for the performance period as compared to the target; and (iii) the final payout percentage for this metric.

(1) Non-GAAP financial measures. We believe that these non-GAAP measures are appropriate for the determination of our incentive compensation award results because they exclude items that may not be indicative of, or are unrelated to, our underlying operations and provide a useful baseline for analyzing trends in our underlying business. Non-GAAP financial measures should be considered in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies.

Relative Total Shareowner Return

RTSR is the total return on an investment in UPS stock (stock price appreciation plus dividends). Total return is compared with the total return on an investment in the companies in the Index at the beginning of the performance period. Following the completion of the performance period, the Committee will certify the Company's RTSR and the payout modifier for that performance period, if any, as follows:

RTSR Percentile Rank Relative to Index	Payout Modifier
Above 75 th percentile	+20%
Between 25 th and 75 th percentile	None
Below 25 th percentile	-20%

2021 LTIP Award Payout

The 2021 LTIP award payout was determined following the completion of the Company's 2023 fiscal year. The performance metrics for the 2021 LTIP award were adjusted earnings per share and adjusted free cash flow, each evaluated independently and equally weighted. The final payout was subject to modification based on RTSR. Performance targets and actual results for the completed performance period for the 2021 LTIP award are set out below. RPU's earned under the 2021 LTIP are considered vested and are settled in shares of class A common stock.

2021 LTIP Metrics									
Adjusted Earnings Per Share					Adjusted Free Cash Flow				RTSR
Year	Threshold	Target	Maximum	Actual	Threshold	Target	Maximum	Actual	Actual
2021		8.4%		47.4%					
2022	3.4%	9.0%	13.6%	6.7%	\$17,369	\$24,813	\$32,257	\$25,181	27th
2023		13.2%		(32.1)%					

2021 LTIP Final Results					
Performance Period	Adjusted EPS Payout	Adjusted FCF Payout	Performance Payout (Avg)	RTSR Modifier	Final Payout
2021-2023	91%	104%	98%	—%	98%

Stock Option Program and 2023 Stock Option Awards

Stock option awards create a direct link between Company performance and shareowner value, as well as provide retention value. Stock option awards generally vest 20% per year over five years and expire ten years from the date of grant. Beyond vesting periods, we do not impose additional holding period requirements. Stock option awards generally require continued employment during the vesting period. Unvested stock options vest automatically upon termination of employment due to death, disability or retirement. Stock option awards are

also subject to the UPS Key Employee Severance Plan as discussed under “Potential Payments Upon Termination or Change in Control”. Grants do not include DEUs or reload features. The number of stock options granted to the NEOs in 2023 is shown in the “Grants of Plan-Based Awards” table.

Employment Transition Awards, Retention Arrangements and Recognition Awards

Generally, we do not pay discretionary bonuses in cash or stock, or make other discretionary payments, to our executives. In recent periods, however, to attract and retain senior executive talent, the Committee approved certain limited payments to external hires to the Company’s Executive Leadership Team. A portion of these payments was made to compensate the executives for compensation forfeited at their prior employers and transition them into our incentive programs. Any of these payments impacting 2023 compensation are described below. In addition, in connection with the hiring of Carol Tomé as CEO in 2020, the Committee provided certain incentives to various executive officers in order to help ensure the retention of their services through a transition period.

Bala Subramanian joined the Company in July 2022 as Chief Digital and Technology Officer. The Committee, working with FW Cook and considering market compensation data and internal pay equity factors, approved his compensation package described below. Under the terms of his employment offer letter, Bala is entitled to: (i) a RSU grant valued at \$3,000,000, vesting 50% in July 2023 and 50% in July 2024; (ii) cash transition payments of \$250,000 in each of August 2022, January 2023, July 2023 and January 2024; (iii) a RPU grant valued at \$1,000,000, vesting in December 2023, with the actual payout determined based on the Company’s performance under its 2021 LTIP program; and (iv) a prorated 2022 LTIP award. Payments are subject to his continued employment through the applicable vesting or payment dates, or termination without cause.

Further, in 2021 the Committee granted Kate Gutmann a special award valued at \$350,000 in recognition of her extraordinary contributions and performance during 2020. This award consisted of \$175,000 in RSUs which vest as follows: 25 percent on March 25, 2022; 25 percent on March 25, 2023; and 50 percent on March 25, 2024; and a stock option award with a grant date fair value of \$175,000 which vests 20% per year over five years beginning on March 25, 2022, provided generally that she remains an employee through the applicable vesting dates.

In connection with our 2020 CEO transition, we entered into retention arrangements with each of Nando Cesarone and Kate Gutmann. The Committee initially intended that these agreements contain both performance and time vesting components, and that the performance components be different than the metrics under our MIP and LTIP programs. Due to the uncertainty created by the coronavirus pandemic and the importance of the retention agreements to the Company, the Committee ultimately determined that the awards would only be time based. Nando and Kate each received RSUs valued at \$3.0 million which vested as follows: 25% on May 13, 2021, 25% on May 13, 2022 and 50% on May 13, 2023. These agreements contain customary non-competition, non-solicitation and non-disclosure covenants in favor of the Company.

Benefits and Perquisites

The benefits and perquisites provided to our NEOs are not a material part of executive compensation and are largely limited to those offered to our employees generally, or that we otherwise believe are necessary or appropriate to attract and retain executive talent.

We believe certain perquisites help facilitate our NEOs’ ability to carry out their responsibilities, maximize working time and minimize distractions. Additional information on these benefits can be found in the following program descriptions.

UPS 401(k) Savings Plan

The UPS 401(k) Savings Plan is open to all U.S.-based employees who are not subject to a collective bargaining agreement and who are not eligible to participate in another savings plan sponsored by UPS or one of its subsidiaries. We generally match 50% of up to 6% of eligible pay contributed to the UPS 401(k) Savings Plan for eligible employees. The match is paid quarterly according to the participant’s pre-tax investment elections on file with the record keeper. We also generally provide an annual contribution based on years of service and expressed as a percentage of eligible compensation (5% for 0-4 years, 6% for 5-9 years, 7% for 10-14 years and 8% for 15 or more years). For employees who were hired prior to 2008 and are participants in the Final Average Compensation (FAC) formula of the UPS Retirement Plan, we generally make an annual transition contribution of 5% of eligible compensation for plan years 2023-2027, which will increase to 7% beginning in 2028.

Qualified and Non-Qualified Pension Plans

Certain executive officers are eligible to participate in our qualified retirement program, the UPS Retirement Plan. Benefits payable under the plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined benefit plan as established by the Internal Revenue Service. Amounts exceeding these limits are paid pursuant to the UPS Excess Coordinating Benefit Plan, which is a non-qualified restoration plan designed to replace the benefits limited under the tax-qualified plan. Without the Excess Coordinating Benefit Plan, the executive officers would receive a lower benefit as a percent of final average earnings than the benefit received by other participants in the UPS Retirement Plan. In accordance with the terms of the Excess Coordinating Benefit Plan, following a participant's retirement, the Company pays an amount equal to the Social Security and Medicare taxes due on the present value of the benefits provided under the plan.

Financial Planning Services

Our executive officers are eligible for a financial services benefit. The Company reimburses fees from financial and tax service providers up to \$15,000 per year, including the cost of personal excess liability insurance coverage.

Executive Health Services

Our executive officers are eligible for certain executive health services benefits, including comprehensive physical examinations. UPS's business continuity is best facilitated by avoiding any prolonged or unexpected absences by members of its senior management team.

Other Compensation and Governance Policies

Stock Ownership Guidelines

CEO	= 8x annual salary
Other Executive Officers	= 5x annual salary
Directors	= 5x annual retainer

Our stock ownership guidelines apply to executive officers and members of the board. Shares of class A common stock (excluding any pledged shares), deferred units and vested and unvested RSUs and RPU's awarded under our equity incentive plans are considered owned for purposes of calculating ownership. Executive officers and directors are expected to reach target ownership within five years of the date that the executive officer or director became subject to the guideline.

As of December 31, 2023, all of the NEOs who have been subject to the guidelines for at least five years exceeded their target stock ownership. In addition, all non-employee directors who have been subject to the guidelines for at least five years exceeded their target stock ownership. RSUs are required to be held by non-employee directors until separation from the board.

Hedging and Pledging Policies

We prohibit our executive officers and directors from hedging their ownership in UPS stock. Specifically, they are prohibited from purchasing or selling derivative securities relating to UPS stock and from purchasing financial instruments that are designed to hedge or offset any decrease in the market value of UPS securities. Additionally, we prohibit our directors and executive officers from entering into pledges of UPS securities, including using UPS securities as collateral for a loan and holding UPS securities in margin accounts. Furthermore, our employees, officers and directors are prohibited from engaging in short sales of UPS stock.

Incentive-Based Compensation Clawback Policy

We have adopted an incentive-based compensation clawback policy that complies with NYSE requirements. This policy provides for the recovery of the amount of erroneously awarded incentive-based compensation received by executive officers when the Company is required to prepare an accounting restatement, subject to limited exceptions in accordance with the NYSE requirements.

Employment and Severance Arrangements; Change in Control Payments

We do not enter into agreements providing for the continuation of employment, or separate change in control agreements with any of our executive officers, including our NEOs, or other U.S.-based non-union employees.

However, in recent periods, to attract and retain senior executive talent and in furtherance of the board's succession planning efforts, we have entered into various employment offer letters, transition agreements, retention arrangements and non-compete agreements in favor of UPS. These arrangements may provide for compensation to an executive, but do not guarantee an employment term; employment is on an at-will basis. Some of the agreements were designed to compensate the individuals for compensation forfeited at their prior employers, to transition them into our incentive programs or to provide consideration for their agreement not to compete with UPS following their potential separation. In addition, retention arrangements are intended to incentivize those individuals to maintain their employment with UPS. To the extent any agreements entered into with any of the NEOs contain ongoing obligations of the Company, those agreements are described below.

Subramanian Employment Offer Letter

In connection with his appointment as Chief Digital and Technology Officer, on May 24, 2022, the Company entered into an employment offer letter with Bala Subramanian providing for: (i) an annual base salary of \$725,000 (subject to future increase); (ii) a MIP award target for 2022 of 130% of base salary; (iii) an LTIP program award target of 450% of base salary (his final 2022 LTIP award payout will be prorated based on his July 2022 start date); (iv) a stock option grant target of 50% of base salary (commencing in 2023); (v) an initial grant of RSUs valued at \$3,000,000, which generally vests 50% in July 2023 and 50% in July 2024; (vi) cash transition payments of \$250,000 in each of August 2022, January 2023, July 2023 and January 2024; and (vii) an initial RPU grant valued at \$1,000,000, generally vesting in December 2023, with the final number of RPUs subject to performance under the 2021 LTIP award. Payments are subject to his continued employment through the applicable vesting or payment dates, or termination without cause. Certain of these amounts are subject to repayment on a prorated basis if he is terminated for cause within 36 months following his July 2022 start date.

Protective Covenant Agreements

Each of our NEOs have entered into protective covenant agreements with the Company, which protect UPS's confidential information and include non-competition and non-solicitation covenants in favor of UPS. In the event that either Carol or Brian is terminated without cause, the Company is obligated to make separation payments equal to two years' salary if it elects to enforce the post-termination non-compete covenants.

Key Employee Severance Plan

The UPS Key Employee Severance Plan (the "Plan") provides for severance compensation and benefits upon certain terminations of employment of key employees, including the NEOs. The severance protections under the Plan replace cash severance benefits (if any) to which a participating employee would have otherwise been entitled under their protective covenant agreements.

The Plan in general provides that if the Company terminates a participant's employment other than due to "Cause," "Disability Termination," or death (a "Qualifying Termination"), the Company will pay: (i) an amount in cash equal to a pro-rata portion of the individual's annual performance incentive award under the MIP that would have been earned for the year of termination, based on actual performance for the full performance period, with the pro-rata portion calculated based on the number of months during which the individual was employed by the Company during the applicable year; (ii) an amount in cash equal to one times (or, for the CEO, two times) the sum of the participant's annual base salary plus the participant's target MIP performance award in effect as of the termination date; (iii) an amount in cash equal to the portion of the participant's monthly Consolidated Omnibus Budget Reconciliation Act of 1978 ("COBRA") premium for the participant and the participant's dependent(s) for the number of months in the participant's applicable COBRA period; and (iv) career counseling services up to \$20,000 (or, for the CEO, up to \$30,000).

In addition, with respect to options held by retirement eligible employees, and RPUs granted under the MIP or LTIP, in each case granted on or after the effective date of the Plan, a participant who experiences a Qualifying Termination will generally be entitled to the same treatment that would apply in the event of "retirement" under the terms of such awards. With respect to stock options granted to a participant on or after the effective date of the Plan, such stock options (to the extent the participant is not retirement eligible and that are vested as of the date of the Qualifying Termination) will remain exercisable until the earlier of the first anniversary of the termination date and the original expiration date of the stock options.

Change in Control

All outstanding equity awards that are continued or assumed by a successor entity in connection with a change in control require a “double trigger” for vesting to accelerate; that is, they also require a qualifying termination of employment prior to any acceleration of vesting.

Equity Grant Practices

Grants of awards to executive officers under our equity incentive programs are approved by the Committee. Grants are typically made at preestablished Committee meeting dates or in connection with a new hire or promotion, and irrespective of the timing of any financial announcement. Stock options have an exercise price equal to the NYSE closing market price on the date of grant.

Consideration of Previous “Say on Pay” Voting Results

Our shareowners vote annually, on an advisory basis, to approve the compensation of our NEOs as set out in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosure in the Proxy Statement. See “Proposal 2 – Advisory Vote to Approve Named Executive Officer Compensation.” In the most recent advisory vote to approve NEO compensation, taken at the 2023 Annual Meeting of Shareowners, nearly 92% of votes cast approved our NEO compensation.

The Committee carefully considered the results of this vote as well as many other factors in determining the structure and operation of our executive compensation programs. In addition, we regularly engage with our stakeholders, including on executive compensation matters. We use the results of these engagements to inform board and Committee discussions on our executive compensation policies and programs.

The secret vegetable is an "onion".

2023 Summary Compensation Table

The following table sets forth the compensation of our NEOs.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁵⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁶⁾	All Other Compensation (\$) ⁽⁷⁾	Total (\$)
Carol Tomé Chief Executive Officer	2023	1,509,713	—	18,916,192	1,358,762	1,509,713	—	95,671	23,390,051
	2022	1,466,250	—	15,046,968	1,228,547	1,035,932	—	187,504	18,965,201
	2021	1,336,251	—	23,670,426	1,125,023	1,397,139	—	92,054	27,620,893
Brian Newman Chief Financial Officer	2023	831,626	—	5,551,095	406,692	481,692	—	70,965	7,342,070
	2022	784,377	—	5,563,543	382,755	364,363	—	94,203	7,189,241
	2021	760,764	—	10,934,230	373,401	3,128,793	—	56,690	15,253,878
Nando Cesarone President U.S. and UPS Airline	2023	840,254	—	4,686,065	407,924	487,837	—	99,161	6,521,241
	2022	768,042	—	4,348,893	351,117	364,278	—	107,812	5,940,142
	2021	683,361	—	7,218,244	313,487	475,914	—	98,089	8,789,095
Kate Gutmann President International, Healthcare and Supply Chain Solutions	2023	840,254	—	4,686,065	407,924	487,837	3,786,483	152,958	10,361,521
	2022	781,197	—	4,674,444	377,426	364,278	—	20,676	6,218,021
	2021	745,803	—	6,659,398	390,681	511,579	48,547	19,690	8,375,698
Bala Subramanian Chief Digital and Technology Officer	2023	766,622	500,000	4,139,164	373,540	444,566	—	76,370	6,300,262
	2022	330,853	250,000	6,928,392	—	—	—	932	7,510,177

(1) Represents the salary earned during the portion of the year that the executive was employed.

(2) See "Employment and Severance Arrangements; Change in Control Payments" in the Compensation Discussion and Analysis for a description of cash transition payments made in connection with Bala Subramanian's hiring.

(3) Represents the aggregate grant date fair value for stock awards computed in accordance with FASB ASC Topic 718. These awards include LTIP RPU's, MIP RPU's, and the awards described above under "Employment Transition Awards, Retention Arrangements and Recognition Awards." Information about the assumptions used to value these awards can be found in Note 13 "Stock-Based Compensation" in our 2023 Annual Report on Form 10-K. The amounts reported for these awards may not represent the amounts that the individuals will actually receive. The amounts received, if any, ultimately will depend on Company performance and the change in our stock price over time. An overview of the features of these awards can be found in the "Compensation Discussion and Analysis."

In accordance with SEC rules, we also are required to disclose the grant date fair value for awards with performance conditions assuming maximum performance. The grant date fair value for the 2023 LTIP RPU awards, assuming maximum performance, is as follows: Tomé — \$37,057,333; Newman — \$10,608,930; Cesarone — \$8,706,275; Gutmann — \$8,706,275; and Subramanian — \$7,972,319.

(4) Represents the aggregate grant date fair value for option awards granted in the applicable year, computed in accordance with FASB ASC Topic 718. The assumptions used to value these awards can be found in Note 13 "Stock-Based Compensation" in our 2023 Annual Report on Form 10-K. The amounts reported for these awards may not represent the amounts that the individuals will actually receive. The amounts received, if any, ultimately will depend on the change in our stock price over time. An overview of the features of these awards can be found in the "Compensation Discussion and Analysis" section.

(5) Represents the cash portion of the MIP award. Beginning with the 2023 MIP award, the entire MIP award is payable in cash. Also, for Brian Newman in 2021, represents the cash portion of the performance-based cash award granted under his employment offer letter.

(6) Represents an estimate of the annual increase in the actuarial present value of the NEO's accrued benefit under our retirement plans for the applicable year, assuming retirement at age 60 (or current age, if later). The actuarial present value of Kate Gutmann's accrued benefit under our retirement plans increased by \$3,786,483 between the measurement date used for 2022 and the measurement date used for 2023. See "Executive Compensation — 2023 Pension Benefits" for additional information, including assumptions used in this calculation. The change in pension value can be impacted by a number of factors, including additional credited service, changes in amounts of compensation covered by the benefit formula, plan amendments and assumption changes.

(7) All other compensation consisted of the following:

Name	401(k) Plan Retirement Contributions^(a) (\$)	Restoration Savings Plan Contributions^(b) (\$)	401(k) Plan Match (\$)	Life Insurance Premiums (\$)	Financial Planning Services (\$)	Healthcare Benefits (\$)	Total (\$)
Carol Tomé	16,500	24,627	9,900	22,246	15,000	7,398	95,671
Brian Newman	16,500	18,134	9,900	4,033	15,000	7,398	70,965
Nando Cesarone	26,400	38,318	9,900	2,181	14,964	7,398	99,161
Kate Gutmann	26,400	99,555	9,900	4,078	5,627	7,398	152,958
Bala Subramanian	16,500	34,930	9,900	1,978	5,664	7,398	76,370

(a) Includes retirement contributions based on years of service, as described on page 41.

(b) Benefits payable under the UPS 401(k) Savings Plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined contribution plan as established by the Internal Revenue Service. Amounts exceeding these limits are paid pursuant to the UPS Restoration Savings Plan. For Kate Gutmann, also includes a transition contribution into the UPS Restoration Savings Plan, as described on page 41. For all NEOs other than Kate Gutmann and Bala Subramanian, amounts reflect actual Company contributions after giving effect to reductions offsetting excess contributions made by the Company in prior years as follows: Tomé — \$69,750; Newman — \$21,996; and Cesarone — \$17,810.

2023 Grants of Plan-Based Awards

The following table provides information about plan-based awards granted during 2023 to each of the NEOs.

Name	Grant Date	Committee Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options ⁽⁴⁾	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ⁽⁵⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Carol Tomé	—	—	—	3,019,425	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	84,217	185,277	—	—	—	16,844,242
	3/22/2023	—	—	—	—	—	—	—	—	33,076	185.54	1,358,762
	2/9/2023	—	—	—	—	—	—	—	11,118	—	—	2,071,950
Brian Newman	—	—	—	963,384	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	24,110	53,042	—	—	—	4,822,241
	3/22/2023	—	—	—	—	—	—	—	—	9,900	185.54	406,692
	2/9/2023	—	—	—	—	—	—	—	3,911	—	—	728,854
Nando Cesarone	—	—	—	975,674	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	19,786	43,529	—	—	—	3,957,398
	3/22/2023	—	—	—	—	—	—	—	—	9,930	185.54	407,924
	2/9/2023	—	—	—	—	—	—	—	3,910	—	—	728,668
Kate Gutmann	—	—	—	975,674	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	19,786	43,529	—	—	—	3,957,398
	3/22/2023	—	—	—	—	—	—	—	—	9,930	185.54	407,924
	2/9/2023	—	—	—	—	—	—	—	3,910	—	—	728,668
Bala Subramanian	—	—	—	889,133	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	18,118	39,860	—	—	—	3,623,781
	3/22/2023	—	—	—	—	—	—	—	—	9,093	185.54	373,540
	2/9/2023	—	—	—	—	—	—	—	2,766	—	—	515,383

(1) Reflects, as applicable, the target and maximum values of the 2023 MIP award for each NEO. The potential payments for the MIP award are performance-based and therefore at risk.

(2) Potential number of RPU's that could be earned under the 2023 LTIP if the target or maximum performance goals are attained.

(3) For NEOs other than Bala Subramanian, represents the number of RPU's or shares of class A stock granted in 2023 pursuant to the 2022 MIP.

(4) Represents stock options **The secret fruit is an "orange".**

(5) Grant date fair value under FASB ASC Topic 718 of the LTIP RPU's, MIP RPU's, and stock options, as applicable, granted to each of the NEOs in 2023. Fair values are calculated using the NYSE closing price of UPS stock on the date of grant for RPU's and RSUs, and the Black-Scholes option pricing model for stock options. The grant date fair value of the units granted under the 2023 LTIP, which have performance conditions, are computed based on the probable outcome of the performance conditions. There can be no assurance that any value will ever be realized.