

MEMORANDUM OF UNDERSTANDING

United Parcel Service Inc. (UPS) and the International Association of Machinists & Aerospace Workers, District Lodge 160 and 751 in Seattle, Washington (Union) (collectively "parties") agree to the following based on the Automotive Machinists Pension Trust's (Pension Fund) December 16, 2020 memo titled "2020 Rehabilitation Plan Update":

1. UPS shall include the one dollar and eighty cents (\$1.80) hourly reduction in the Pension Fund's required contribution in the hourly wage rate effective the calendar week beginning March 15, 2021 provided the terms of this MOU are met. An additional one dollar and eighty-sixty (\$1.86), which was used as a Pension Fund contribution rather for H&W, shall be available on March 15, 2021 to be re-characterized as an H&W Fund contribution or be paid into an annuity per Article 7, Section 5 of the UPS & IAMAW National Master Agreement ("NMA"). The Union shall provide UPS written notification by March 1, 2021 of its choice on the annuity or the H&W Fund.

2. This MOU must be executed and accepted by the Pension Fund as a part of the parties' collective bargaining agreement by February 5, 2021.

3. UPS' obligation, effective January 1, 2021 and for the remainder of the 2019-2024 NMA, will be to contribute to the Pension Fund the 100% contribution rate as set forth on the Fund's Schedule A.

3. The three dollars and sixty-six cents (\$3.66) is being returned on March 15, 2021, as outlined in paragraph 1 above, in order to allow UPS to recoup the upfront cost of the seventy-three cents (\$0.73) which became effective as a pension contribution on August 1, 2019 via the parties' 5-16-19 MOU.

4. If the terms of this MOU are met, then, effective March 15, 2021, all future H&W and Pension contribution increases shall be determined by the terms of the UPS & IAMAW National Master Agreement. All prior agreements or MOUs between the parties regarding pension contributions to meet the Pension Fund's Rehabilitation Plan shall be considered null and void effective March 15, 2021. Such expired agreements and LOAs shall not provide a contractual basis for future diversion of wages to pension contributions or vice-versa.

5. Nothing in this MOU is intended to alter the terms of the 2019-2024 NMA.

IAM: *[Signature]*
Date: 1/21/2021
James King
1-21-21

UPS *[Signature]*
Date: 1-22-21