

REFINITIV

DELTA REPORT

10-K

UNP - UNION PACIFIC CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 3225

█ CHANGES 484

█ DELETIONS 1028

█ ADDITIONS 1713

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Utah

13-2626465

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1400 Douglas Street, Omaha, Nebraska

68179

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(402) 544-5000**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each Class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock (Par Value \$2.50 per share)	UNP	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>
Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error in previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of **June 30, 2022** June 30, 2023, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was **\$131.5** \$123.0 billion. **illion.**

The number of shares outstanding of the registrant's Common Stock as of **February 3, 2023** February 2, 2024, was **611,872,981** 609,777,914.

Documents Incorporated by Reference – Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on **May 18, 2023** May 9, 2024, are incorporated by reference into Part III of this report. The registrant's Proxy Statement will be filed with the Securities and Exchange Commission (SEC) within 120 days after the end of the fiscal year that this report relates pursuant to Regulation 14A.

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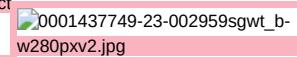
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February 10, 2023 9, 2024

Fellow **Shareholders**:

2022 was a foundational year for Union Pacific, building and executing on our long-term growth strategy. From numerous customer wins, to preparing for and onboarding a large intermodal customer, to strategic investments in our intermodal network and transload business, we took action to create long-term value. Those successes, however, were met with some significant short-term barriers – continued global supply chain disruptions, an elevated inflationary environment, record fuel prices, challenging labor markets, and an extended labor negotiation. All of those factors had a real impact on our ability to deliver a consistent and reliable service product to our customers in 2022. They also contributed to uneven financial results for the year.



In 2022, we reported record earnings per share of \$11.21, a 13% increase versus 2021. Total volumes increased 2% versus 2021, driven by strength in industrial and bulk markets offsetting continued supply chain challenges in our premium markets. Our operating ratio was a 60.1%, a 290-basis point deterioration versus 2021 driven by inflation, operational inefficiency, and higher fuel prices. For the full year, our average fuel price per gallon increased 64%. Also notable, was a \$92 million one-time charge recorded in the third quarter for new labor agreements.

Success at Union Pacific begins with safety. In 2022, we made progress on our personal injury safety metrics, improving 18% to a five-year low and lead the industry in employee safety. We will build upon this improvement by enhancing training programs and solidifying our safety culture through ownership and personal accountability on the path to achieving our goal of world-class safety performance. We need to expand our progress from personal injuries to derailments, where we have opportunity for improvement. The ultimate goal remains returning each employee home safely at the end of the day. **Shareholders**:

In 2021, As Union Pacific shareholders, we rolled out our own a strategic plan we call, **“Serve, Grow, Win – Together.”** And over piece of history. Over the past two course of 161 years, we have been executing on that long-term strategy. While our 2022 progress Company is built to handle inevitable changes and challenges of business cycles while seeking ways to innovate and grow. 2023 was mixed, we advanced our position towards long-term sustainable growth through targeted capital investments, emissions reduction programs, and by leveraging technology to improve our customer's experience. no different.

Everything This year, I assumed the role of Chief Executive Officer, and Lance Fritz retired after a distinguished career. At that time, we also split the roles of Chairman and CEO and Mike McCarthy, was named Chairman of the Board of Directors. The transition was seamless, a credit to the Board, Lance, and the management team. Since becoming CEO, I have focused the team on a multi-year strategy of **“Safety + Service & Operational Excellence = Growth.”** Safety must always be our first area of focus, returning everyone home safely each day. Service is all about delivering what we sold our customers, committing to what we can do starts and doing it with **Serve**excellence. Operational Excellence is about operating efficiently and delivering customer-centered operational excellence. productively while maintaining a buffer to handle ups and downs of railroading.

In the second half of 2023, we achieved great momentum as the team united to deliver a shared strategy. Our fourth quarter operating metrics were the best of the year. We exited the year with a stronger service product and fluid network. Our Fourth Quarter financial results also demonstrated momentum as we achieved sequential quarterly margin improvement. For 2023, we reported earnings per diluted share of \$10.45, a 7% decrease versus 2022, reflecting 1% lower volumes and an operating ratio increase of 220 basis points. To support our service product did not meet expectations. Constrained crew bases in critical locations, elevated freight car inventory levels, and growth, we invested \$3.7 billion back into our network. Soft consumer markets, continued supply chain disruptions inflationary pressures, and new labor agreements all played a role and impacted our ability to support customers and their needs. In 2022, freight car velocity deteriorated 6% versus 2021, lowering trip plan compliance for intermodal 6 points and manifest/automotive 4 points. Similarly, our efficiency measures were impacted as locomotive productivity declined 6% and workforce productivity and train length were flat. To

address constrained crew bases, we hired and trained over 1,300 new transportation employees in 2022 and have almost 600 more in the training pipeline as we enter 2023. We also amplified our customer communications to provide clear expectations and leveraged continuous improvement efforts to address discrete service issues. financial results.

A key long-term initiative for Union Pacific is As we turn the page to reduce our carbon footprint for 2024, we are looking at the benefit of all stakeholders. For the fourth consecutive year, we achieved a best-ever fuel consumption rate, improving 1% versus 2021. In addition, we increased our biodiesel blend to over 4.5%, on track toward our 2030 target of 20%. These efforts helped our customers eliminate over 23 million metric tons of greenhouse gas emissions by choosing Union Pacific versus truck.

We continue to make significant investments in our infrastructure to support our service product. In 2022, our capital program of approximately \$3.4 billion included completing 24 siding projects, finishing the Twin Cities, MN, intermodal terminal, further expanding the West Colton, CA, intermodal terminal, modernizing over 130 locomotives, and hardening our infrastructure.

These investments support the next tenet of our strategy – **Grow**. We have the best rail franchise in North America. Our growth is powered by providing products and services that meet our customers' needs. This includes providing new services for our customers and expanding our reach through new transload facilities and intermodal terminals, which our team translated into new business wins in 2022. And those business development wins will provide a tailwind in 2023 as we navigate an uncertain economy.

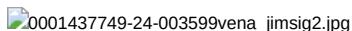
Growth is also dependent on a customer experience that constantly improves and evolves. Technology plays a key role. We're integrating deeper in our customers' systems and supply chains by being the industry leader in providing application programming interfaces (API), with over 70 services available being called on over 600,000 times a day.

Successful execution of our plans to "Serve" and "Grow" leads to **Win**. For our shareholders, winning means generating strong cash returns. In 2022, we paid dividends of \$3.2 billion, which included a 10% dividend increase in the second quarter. In addition, we repurchased 27 million Union Pacific shares, decreasing our full-year average share count 5%. Combining dividends and share repurchases, Union Pacific returned \$9.4 billion to our shareholders in 2022.

"Winning" extends to all UP's stakeholders, and the value we create for each of them, which is the final piece of our strategy – **Together**. We continue to evolve our comprehensive approach to Environmental, Social, and Governance issues as laid out in "Building a Sustainable Future 2030". Ultimately, we demonstrate our commitment to this through actions. In 2022, we announced our plans to purchase battery electric locomotives for use in yard operations, executed a three-year deal to modernize 600 additional locomotives starting in 2023, issued \$600 million in green bonds, and became the first U.S. railroad to formally support the Task Force on Climate-related Financial Disclosures (TCFD). Late in the year we were added to the Dow Jones Sustainability Index and included in the JUST Capital 100. Our momentum on sustainability is real and demonstrates our position as the rail leader in the space.

opportunities ahead. The entire Union Pacific team is focused on being the industry's best in safety, service, and operational excellence. That strategy leads to long-term growth and provides you with industry-leading returns on your investment. It's how we win.

We understand that we fell short hold the keys to an iconic company that helped Build America. We are propelled by that history and recognize we have an important responsibility to deliver for our stakeholders. We are grateful for this opportunity and thank you for your ownership of expectations in 2022. But, thanks to the hard work of our exceptional workforce, we are entering 2023 positioned for success. While the year ahead has some real challenges – an uncertain economy, higher cost structure, and stakeholder trust to rebuild – the Union Pacific team is again ready to rise to the occasion. Our fundamentals for long-term success have not changed. Powered by our best-in-industry employees and franchise, a strategy built for profitable growth, and a more efficient and reliable service product, Union Pacific is poised to do great things in 2023. We can't wait to prove it to you.



Chairman, President, and Chief Executive Officer

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

William J. DeLaney Former Chief Executive Officer – Sysco Corporation Board Committees: Audit; Compensation and Benefits (Chair); Safety and Service Quality	Teresa M. Finley Former Chief Marketing and Business Services Officer – United Parcel Service, Inc. Board Committees: Audit; Finance	Deborah C. Hopkins Former Chief Executive Officer - Citi Ventures and Former Chief Innovation Officer - Citi Board Committees: Compensation and Benefits; Finance	Michael R. McCarthy Chairman – Union Pacific Corporation and Union Pacific Railroad Company; Chairman - McCarthy Group, LLC; and Co-Chairman – Bridges Trust Company Lead Independent Director of Board Committees: Corporate Governance, Nominating, and Sustainability (Chair); Sustainability; Finance Committees: Pending
David B. Dillon Former Chairman and CEO – The Kroger Company Board Committees: Audit (Chair); Compensation Corporate Governance, Nominating, and Benefits Sustainability		Lance M. Fritz Chairman, President, and Chief Executive Officer – Union Pacific Corporation and Union Pacific Railroad Company Deborah C. Hopkins Former Chief Executive Officer – Citi Ventures and Former Chief Innovation Officer - Citi Board Committees: Audit; Finance (Chair)	Jose H. Villarreal Doyle R. Simons Retired Advisor – Akin, Gump, Strauss, Hauer, & Feld, LLP Former President and CEO - Weyerhaeuser Company Board Committees: Union Compensation and Benefits; Corporate Governance, Nominating, Safety and Sustainability Service Quality (Chair)
Sheri H. Edison Former Executive Vice President and General Counsel – Amcor plc Board Committees: Compensation and Benefits; Corporate Governance, Nominating, and Sustainability (Chair)		Jane H. Lute Strategic Advisor – SICPA, North America Board Committees: Audit; Corporate Governance, Nominating, Safety and Sustainability Service Quality (Chair)	R. James Vena Chief Executive Officer – Weyerhaeuser Company Board Committees: Pacific Corporation Governance, Nominating, Safety and Union and Sustainability Service Quality Railroad Company John P. Wiehoff Former Chairman, President, and CEO – C.H. Robinson Worldwide, Inc. Board Committees: Audit; Safety and Service Quality
			Christopher J. Williams Chairman – Siebert Williams Shank & Co. Board Committees: Audit; Finance

SENIOR MANAGEMENT*

SENIOR MANAGEMENT

Lance M. Fritz	V. James Vena	Jennifer L. Hamann	Rahul Jalali	Craig	V. Kenny	G.
Chairman, President, and Chief Executive Officer		Executive Vice President and Chief Financial Officer	Senior Executive Vice President – Information Technologies	Richardson	Rocker	Rocker*
Prentiss W. Bolin, Jr.			Information Officer	Vice President	President	
Vice President – External Relations				President, Marketing and		
Bryan L. Clark		Michael V. Miller	Vice President and Treasurer	Chief Legal Officer, and	Chief Sales Officer, and	
Vice President – Tax				Corporate	Todd	M.
Eric J. Gehringer*		Scott D. Moore		Secretary	Rynaski	
Executive Vice President – Operations		Senior Vice President – Corporate Relations and Chief Administrative Officer		Senior Vice President	and President	and
Rebecca B. Gregory*		Clark J. Ponthier	Senior Vice President – Supply Chain and Continuous Improvement	Chief		
Vice President and Chief of Staff				Accounting, Risk, and Compliance Officer		
				Elizabeth F. Whited		
				Executive Vice President – Sustainability and Strategy		

*Senior management are elected officers of both Union Pacific Corporation and For Union Pacific Railroad Company except Messrs. Gehringer, Ponthier, and Rocker are elected officers for Union Pacific Railroad Company, only.

PART I

Item 1. Business

GENERAL

Union Pacific Railroad Company is the principal operating company of Union Pacific Corporation. One of America's most recognized companies, Union Pacific Railroad Company connects 23 states in the western two-thirds of the country by rail, providing a critical link in the global supply chain. The Railroad's diversified business mix includes Bulk, Industrial, and Premium. Union Pacific serves many of the fastest-growing U.S. population centers, operates from all major West Coast and Gulf Coast ports to Eastern gateways, connects with Canada's rail systems, and is the only railroad serving all six major Mexico gateways. Union Pacific provides value to its roughly 10,000 customers by delivering products in a safe, reliable, fuel-efficient, and environmentally responsible manner.

Union Pacific Corporation was incorporated in Utah in 1969 and maintains its principal executive offices at 1400 Douglas Street, Omaha, NE 68179. The telephone number at that address is (402) 544-5000. The common stock of Union Pacific Corporation is listed on the New York Stock Exchange (NYSE) under the symbol "UNP".

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "UPC", "Corporation", "Company", "we", "us", and "our" shall mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which we separately refer to as "UPRR" or the "Railroad".

STRATEGY

The Company's growth strategy focuses Safety, Service, and Operational Excellence supports the Company's long term initiative to Grow its freight volumes (Safety + Service & Operational Excellence = Growth). Together as a team, the Company will focus on growing customer value through innovative supply chain solutions and aspiring to Serve, Grow, Win – Together, achieving the best safety record in the industry, being known for superior service, grounded in operational excellence which, in turn, drives growth.

Serve: Safety Driving operational excellence to create a safer, more reliable, is paramount and, efficient service product. Precision scheduled railroading (PSR) is as our first area of focus, sets the foundation for delivering customer-centered operational excellence by:

1. Shifting the focus of operations from moving trains to moving cars.
2. Minimizing car dwell, car classification events, and locomotive power requirements.
3. Utilizing general-purpose trains by blending existing train service.
4. Balancing train movements to improve the utilization of resources.

We aim achieving the Company's objectives. The mindset and culture are built around a personal commitment by all employees to move cars faster and reduce the number of times each car is touched, resulting in terminal consolidation opportunities, improved asset utilization, and fewer car classifications, which in turn leads to products getting to the market quicker and more reliably. The result is a better customer experience, which enables us to grow our market share. prioritize safety so everyone goes home safely.

Grow:Service By harnessing the potential of the best rail franchise in the industry, is all about delivering what we expect to generate growth in three ways – increasing profitable carloads that fit sold our network and transportation plan, providing more products and services to create value for customers. We work with our customers to understand the service they need to win in their markets and increasing the geographic reach of our franchise through innovative supply chain solutions, then drive how we win together. We commit to these service levels and do it with excellence.

Win:Operational Excellence Driving strong financial performance resulting in significant shareholder returns. is about operating efficiently and productively. We will drive value with our available resources, but also maintain a buffer so our service is resilient, managing the inevitable ups and downs that come with weather, fluctuating volumes, and securing growth.

Execution of our plans strategy to be the industry leader in both serve safety and grow, service leads to higher revenues revenue growth with improved margins and greater cash generation, creating long term enterprise value.

Together: Engaging our four stakeholder groups – Communities, Customers, Employees, and Shareholders. Our comprehensive approach to Environmental, Social, and Governance issues, "Building a Sustainable Future 2030," is designed to address the evolving interests of our stakeholders and is built on five areas of concentration – Building Responsible Foundations, Investing in our Workforce, Driving Sustainable Solutions, Championing Environmental Stewardship, and Strengthening our Communities.

We believe that operational excellence and an engaged workforce with deep market knowledge and The result will be strong customer relationships supports best-in-class safety, a customer experience that drives growth, and financial performance driving significant shareholder returns.

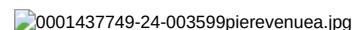
As we work to transform our railroad, into the safest, most reliable, and most efficient in North America, our core values continue guiding to guide us. Our passion for performance will help us win; our high ethical standards will lead us to ensure we win in a way that supports all of our stakeholders; and our teamwork will make sure ensures we win together.

OPERATIONS

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we analyze treat the net financial results of the Railroad as one segment due to the integrated nature of our rail network. Additional information regarding our business and operations, including revenues, financial information and data, and other information regarding environmental matters, is presented in Risk Factors, Item 1A; Legal Proceedings, Item 3; Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7; and the Financial Statements and Supplementary Data, Item 8 (which include information regarding revenues, statements of income, and total assets).8.

Operations – UPRR is a Class I railroad operating in the U.S. We have 32,534 32,693 route miles, connecting Pacific Coast and Gulf Coast ports with the Midwest and Eastern U.S. gateways and providing several corridors to key Mexican and Canadian gateways. We serve the western two-thirds of the country and maintain coordinated schedules with other rail carriers to move freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada, and Mexico. Export and import traffic moves through Gulf Coast, Pacific Coast, and East Coast ports and across the Mexican and Canadian borders. In 2022 2023, we generated freight revenues totaling \$23.2 \$22.6 billion from the following three commodity groups:

2022 2023 Freight Revenues



Bulk – The Company's Bulk shipments consist of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. In 2022, 2023, this group generated 33% of our freight revenues. We access most major grain markets, connecting the Midwest and Western U.S. producing areas to export terminals in the Pacific Northwest and Gulf Coast ports as well as Mexico. We also serve significant domestic markets, including grain processors, animal feeders, ethanol, and ethanol renewable biofuel producers in the Midwest and West. Fertilizer movements originate in the Gulf Coast region, Midwest, Western U.S., and Canada (through interline access) for delivery to major agricultural users in those areas as well as abroad. The Railroad's network supports the transportation of coal shipments to independent and regulated power companies and industrial facilities throughout the U.S. Through interchange gateways and ports, UPRR's reach extends to Eastern U.S. utilities as well as to Mexico and other international destinations. Coal traffic originating in the Powder River Basin (PRB) area of Wyoming is the largest portion of the Railroad's coal business. Renewable shipments for customers committed to sustainability consist primarily of biomass exports and wind turbine components.

Industrial – Our extensive network facilitates the movement of numerous commodities between thousands of origin and destination points throughout North America. The Industrial group consists of several categories, including construction, industrial chemicals, plastics, forest products, specialized products (primarily waste, salt, and roofing), metals and ores, petroleum, liquid petroleum gases (LPG), soda ash, and sand. Transportation of these products accounted for 35% 36% of our freight revenues in 2022, 2023. Commercial, residential, and governmental infrastructure investments drive shipments of steel, aggregates, cement, and wood products. Industrial and light manufacturing plants receive steel, nonferrous materials, minerals, and other raw materials.

The industrial chemicals market consists of a vast number of chemical compounds that support the manufacturing of more complex chemicals. Plastics shipments support automotive, housing, and the durable and disposable consumer goods markets. Forest product shipments include lumber and paper commodities. Lumber shipments originate primarily in the Pacific Northwest or Western Canada and move throughout the U.S. for use in new home construction and repairs and remodeling. Paper shipments primarily support packaging needs. Oil and gas drilling generates demand for raw steel, finished pipe, stone, and drilling fluid commodities. The Company's petroleum and LPG shipments are primarily impacted by refinery utilization rates, regional crude pricing differentials, pipeline capacity, and the use of asphalt for road programs. Soda ash originates in southwestern Wyoming and California, destined for chemical and glass producing markets in North America and abroad.

Premium – In 2022, 2023, Premium shipments generated 32% 31% of Union Pacific's total freight revenues. Premium includes finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. International business consists of import and export traffic moving in 20 or 40-foot shipping containers, that mainly pass through West Coast ports, destined for one of the Company's many inland intermodal terminals. Domestic business includes container and trailer traffic picked up and delivered within North America for intermodal marketing companies (primarily shipper agents and logistics companies) as well as truckload carriers.

We are the largest automotive carrier west of the Mississippi River and operate or access 39 vehicle distribution centers. The Railroad's extensive franchise accesses six vehicle assembly plants and connects to West Coast ports, all six major Mexico gateways, and the Port of Houston to accommodate both import and export shipments. In addition to transporting finished vehicles, the Company provides expedited handling of automotive parts in both boxcars and intermodal containers destined for Mexico, the U.S., and Canada.

Seasonality – Some of the commodities we carry have peak shipping seasons, reflecting either or both the nature of the commodity (such as certain agricultural and food products that have specific growing and harvesting seasons) and the demand cycle for the commodity (such as intermodal traffic that generally peaks during the third quarter to meet back-to-school and holiday-related demand for consumer goods during the fourth quarter). The peak shipping seasons for these commodities can vary considerably each year depending upon various factors, including the strength of domestic and international economies and currencies; consumer demand; the strength of harvests, which can be adversely affected by severe weather; market prices for agricultural products; and supply chain disruptions.

Proud & Engaged Workforce – Our employees are central to our Serve, Grow, Win – Together Safety + Service & Operational Excellence = Growth strategy, and Investing in our Workforce is one of the five areas of concentration in key to our "Building a Sustainable Future 2030" strategy. success.

Our People: Our award-winning, multigenerational workforce includes talented people from all walks of life, in many stages of life. Made up of management and craft professionals, we are focused on attracting, retaining, and developing talent across our entire system.

As of December 31, 2022 December 31, 2023, the Company employed 33,179 32,973 employees. Our workforce includes five generations from Traditionalists (born before 1946) to Generation Z (born after 1998). The average age is 46.5 46.6 with average tenure of 15.8 15.9 years.

Union Pacific works with 13 major rail unions, representing approximately 83% 85% of our workforce. Most craft professionals and more than 45 railroads participate in negotiations on a national multi-employer basis. The National Carriers Conference Committee of the National Railway Labor Conference, consisting of the top labor officers in most Class I railroads, is the bargaining committee for the industry. Railroads are governed by the Railway Labor Act (RLA), a federal statute enacted in 1926 to bring the railroads and unions to agreement without disruptions to rail transportation. The RLA includes numerous safeguards to help overcome bargaining stalemates.

The recent round of labor negotiations related to years 2020-2024 concluded in December 2022. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Other Matters – Labor Agreements, Item 7, of this report for information about the conclusion of the 2020-2024 negotiations. The next round of negotiations begins on January 1, 2025, related to years 2025-2029.

Our Culture: We incorporate our commitment to safety, diversity and inclusion, high ethical standards, passion for performance, and teamwork into our day-to-day operations as we serve our customers.

Safety is central to everything we do at Union Pacific. Together, we are committed to cultivating a safety-focused culture, so our employees return home safely every day. To achieve this, our employees identify risks, initiate action to mitigate those risks, and have the courage to care to keep each other safe.

Our success is measured by our personal injury rate (the number of reportable injuries for every 200,000 employee-hours worked) and our derailment incident rate (the number of reportable derailment incidents per million train miles). Reportable personal injuries are defined as on duty incidents or occupational illnesses that result in employees losing time

away from work, modifying or restricting their normal duties, or receiving any medical treatment above and beyond first aid. Reportable derailment incidents are defined as any occurrence where a wheel of a locomotive or rail car falls off the track ~~that and~~ causes damage to track, equipment, or structures above the Federal Railroad Administration (FRA) reporting threshold, regardless of ownership (\$11,300 \$11,500 for ~~2022~~ 2023 and \$11,500 \$12,000 for ~~2023~~ ~~2024~~) per million train miles. Personal injuries and derailment incidents that meet reportable criteria are reported to the FRA.

Our ~~2022~~ 2023 personal injury rate of 0.80 improved 18% 1.17 deteriorated 4%, while our derailment incident rate of 2.88 increased 8% 2.72 improved 6% versus ~~2021~~ 2022. (See further discussion in Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7, of this report.)

Diversity, Equity, and Inclusion: Union Pacific's commitment to diversity and inclusion is based on our desire to create an environment where people can be their best, personally and professionally. ~~From an employee's perspective, We believe that a diverse and supportive culture increases employee engagement, improves morale, and allows qualified employees to succeed and contribute to Union Pacific's success. All of this supports safety. From a business perspective, diversity our safety strategy and improves the Company's quality of decision-making, problem-solving, and strategic thinking, which translates into a competitive advantage with bottom-line results.~~ thinking.

Union Pacific's commitment, today and for the future, is to further improve and strengthen performance through an inclusive workforce that reflects the diverse markets and communities we serve, where everyone is treated fairly, ~~and~~ differences are ~~valued~~ valued, and talent is recognized and rewarded. To that end, Union Pacific ~~established a goal~~ intends to maintain its standards of hiring and promoting based on merit, while aspiring to reach 40% people of color and double our female representation to 11% in our workforce by 2030. As of ~~December 31, 2022~~ December 31, 2023, workforce representation of people of color and females was approximately ~~32.8%~~ 33.8% and 5.5%, respectively.

The Employee Journey: From recruitment to retirement and milestones in between, we are relentlessly focused on supporting and engaging employees throughout their Union Pacific journey. We view it as imperative to invest in our employees with meaningful benefit offerings, developmental experiences, and career opportunities.

The process begins with recruitment, where we strive to attract the most talented and diverse employees to join our team. Then, we focus on training and development, which includes ~~courses and programs designed to recognize potential and to help our employees grow into new roles and/or learn a new skill in their current role~~ so that we can retain our workforce over time.

Providing competitive compensation and meaningful benefits is key to attracting and retaining talented employees. Union Pacific is committed to continuously reviewing its compensation programs and comprehensive benefits programs to promote programs that are fair and competitive. Both are key to enhancing the value of working for Union Pacific and demonstrating the Company's commitment to the health and wealth of employees during their career. Benefits vary based on the applicable collective bargaining agreement or an employee's management status. The final stage of the employee journey is a fulfilling retirement, which is enabled during their UP career through our compensation and benefit programs, particularly contributions to 401(k) plans and the employee stock purchase plan (ESPP).

Our Board of Directors evaluates our non-union compensation plans and reviews recommendations from the Compensation and Benefits Committee, while collective bargaining agreements govern compensation for our union employees. The median annual compensation for all employees employed as of ~~December 31, 2022~~ December 31, 2023, was ~~\$86,778~~ \$108,244 (excluding the CEO).

Talent is critical ~~— our ability to recruit and retain employees is directly tied to our railroad's fluidity. Without team members to dispatch, operate trains, and maintain our infrastructure, our network struggles to provide customers efficient, reliable service.~~

~~We accelerated recruitment efforts in 2022, requiring us are focused on effectively managing workforce levels to evolve our hiring practices and incorporate innovative strategies. From virtual career fairs to pre-recorded video interviews, we implemented robust recruiting tools to meet candidates where they are and provide an efficient, user-friendly experience through every phase the demands of the recruitment process.~~

~~We've also been aggressive in how business and improving quality of life for our employees. Therefore, we compete continue to attract talent in the marketplace. In particularly hard-to-fill jobs hire to backfill attrition and locations, we offered hiring incentives. These incentives are a mix of travel allowances and relocation bonuses, handle growth as well as local hiring bonuses to attract applicants already residing in the communities we serve.~~

~~We continue driving inclusivity into our hiring process. We're removing bias by using software tools to confirm gender-neutral language in job postings, as well as providing video demonstrations and visual cues during physical abilities tests. Pre-recorded video interviews allow applicants to participate at a time that works best for their schedule, accommodating those who may have nontraditional schedules.~~

~~And finally, tapping into those who know us best – employee referrals played an important part in building our team. The "Great People Know Great People" employee referral program offers an incentive for each referral hired. In 2022, we hired more than 1,250 referred employees.~~

~~Further discussion can be found in our "We Are One" report available on our website.~~ needed.

Railroad Security – Our security efforts consist of a wide variety of measures, including employee training, engagement with our customers, training of emergency responders, and partnerships with numerous federal, state, and local government agencies. While federal law requires us to protect the confidentiality of our security plans designed to safeguard against terrorism and other security incidents, the following provides a general overview of our security initiatives.

UPRR Security Measures – We maintain a comprehensive security plan designed to both deter and respond to any potential or actual threats as they arise. The plan includes four levels of alert status, each with its own set of countermeasures. We employ our own police force, consisting of commissioned and highly-trained officers. The police are certified state law enforcement officers with investigative and arrest powers. The Union Pacific Police Department has achieved accreditation under the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) for complying with the highest law enforcement standards. Our employees undergo recurrent security and preparedness training as well as federally mandated hazardous materials and security training. We regularly review the sufficiency of our employee training programs. We maintain the capability to move critical operations to back-up facilities in different locations.

We operate an emergency response management center 24 hours a day. The center receives reports of emergencies, dangerous or potentially dangerous conditions, and other safety and security issues from our employees, the public, law enforcement, and other government officials. In cooperation with government officials, we monitor both threats and public events, and, as necessary, we may alter rail traffic flow at times of concern to minimize risk to communities and our operations. We comply with the hazardous materials routing rules and other requirements imposed by federal law. We design our operating plan to expedite the movement of hazardous material shipments to minimize the time rail cars remain idle at yards and terminals located in or near major population centers. Additionally, in compliance with Transportation Security Administration (TSA) regulations, we deployed information systems and instructed employees in tracking and documenting the handoff of Rail Security Sensitive Materials with customers and interchange partners.

We established a number of our own innovative safety and security-oriented initiatives ranging from various investments in technology to The Officer on Train program, which provides local law enforcement officers with the opportunity to ride with train crews to enhance their understanding of railroad operations and risks. Our staff of information security professionals continually assess cybersecurity risks and implement mitigation programs that evolve with the changing technology threat environment. To date, we have not experienced any material disruption of our operations due to a cyber threat or **attack** **incident** directed at us.

Cooperation with Federal, State, and Local Government Agencies – We work closely on physical and cybersecurity initiatives with government agencies, including the U.S. Department of Transportation (DOT); the **Federal Bureau of Investigation (FBI)**; the Department of Homeland Security (DHS), along with its Cybersecurity **& and** Infrastructure Security Agency (CISA) and **the** **TSA**; as well as local police departments, fire departments, and other first responders. **In connection with new**

Based on guidance from the **TSA**, **effective starting from** January 1, 2022, we were **required** **obligated** to report cyber incidents to CISA. Additionally, **during 2022, as required by the** **TSA guidance**, we **performed** a **cyber vulnerability self-assessment**, submitted the results to the **TSA**, assembled and adopted a **cyber incident response plan**, and appointed **cybersecurity coordinators**. During 2023, we **coordinators**, conducted a **self-assessment of our cyber vulnerabilities**, and put in place a **plan to respond to cyber incidents**. **We are required to comply currently awaiting approval of our security plan before progressing with the second directive from the** **TSA**, **effective October 18, 2022**. By February 21, 2023, we **are required to develop and implement a cybersecurity implementation plan**. Afterwards we **need to establish** **establishment of** a **cybersecurity assessment plan**, **that describes which will describe** how the **Company will** **proactively and regularly assess evaluates** the **effectiveness of our** **cybersecurity measures as well as identify and resolve device, network, address any weaknesses in our devices, networks, and system vulnerabilities. systems**.

In conjunction with the Association of American Railroads (AAR), we sponsor Ask Rail, a mobile application that provides first responders with secure links to electronic information, including commodity and emergency response information required by emergency personnel to respond to accidents and other situations. We also participate in the National Joint Terrorism Task Force, a multi-agency effort established by the U.S. Department of Justice and the Federal Bureau of Investigation to combat and prevent terrorism.

We work with the Coast Guard, U.S. Customs and Border Protection (CBP), and the Military Transport Management Command, which monitor shipments entering the UPRR rail network at U.S. border crossings and ports. We were the first railroad in the U.S. to be named a partner in CBP's Customs-Trade Partnership Against Terrorism, a partnership designed to develop, enhance, and maintain effective security processes throughout the global supply chain.

Cooperation with Customers and Trade Associations – Through TransCAER (Transportation Community Awareness and Emergency Response), we work with the AAR, the American Chemistry Council, the American Petroleum Institute, and other chemical trade groups to provide communities with preparedness tools, including the training of emergency responders. In cooperation with the FRA and other interested groups, we are also working to develop additional improvements to tank car design that will further limit the risk of releases of hazardous materials.

Sustainable Future – Union Pacific believes it is important that we act as environmental stewards, reducing **greenhouse gas (GHG)** emissions and supporting the transition to a more sustainable future. While we work to further reduce our environmental footprint, it is important to note that railroads already are one of the most fuel-efficient means of transportation. **Freight rail leads other forms of surface transportation when it comes to minimizing GHG emissions, and we expect rail will continue to play a critical role in mitigating and abating the impacts of climate change.** According to the AAR, moving freight by rail instead of truck reduces **greenhouse gas (GHG)** **GHG** emissions by up to 75%. **Building on rail's relative emissions benefits over other modes of** **Therefore, converting freight transportation we are taking additional actions from truck to reduce our emissions. These actions are described** **rail typically results in an immediate reduction in our Climate Action Plan on our website, customers' scope 3 GHG emissions.**

Competition – see "We Face Competition from Other Railroads and Other Transportation Providers" in the Risk Factors in Item 1A of this report.

Key Suppliers – see "We Are Dependent on Certain Key Suppliers of Locomotives and Rail" in the Risk Factors in Item 1A of this report.

Available Information – Our Internet website is www.up.com. We make available free of charge on our website (under the “Investors” caption link) our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our current reports on Form 8-K; our proxy statements; Forms 3, 4, and 5, filed on behalf of our directors and certain executive officers; and amendments to such reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). We provide these reports and statements as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. We also make available on our website previously filed SEC reports and exhibits via a link to EDGAR on the SEC’s Internet site at www.sec.gov. Additionally, our corporate governance materials, including By-Laws, Board Committee charters, governance guidelines and policies, and codes of conduct and ethics for directors, officers, and employees are available on our website. From time to time, the corporate governance materials on our website may be updated as necessary to comply with rules issued by the SEC and the NYSE or as desirable to promote the effective and efficient governance of our Company. Any security holder wishing to receive, without charge, a copy of any of our SEC filings or corporate governance materials should send a written request to: Secretary, Union Pacific Corporation, 1400 Douglas Street, Omaha, NE 68179.

References to our website address, the “We Are One” report, and the Climate Action Plan, in this report, including references in Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 7, are provided as a convenience and do not constitute, and should not be deemed, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

GOVERNMENTAL AND ENVIRONMENTAL REGULATION

Governmental Regulation – Our operations are subject to a variety of federal, state, and local regulations, generally applicable to all businesses. (See also the discussion of certain regulatory proceedings in Legal Proceedings, Item 3.)

The operations of the Railroad are subject to the regulations of the FRA and other federal and state agencies as well as the regulatory jurisdiction of the Surface Transportation Board (STB). The STB has jurisdiction over rates charged on certain regulated rail traffic; common carrier service of regulated traffic; freight car compensation; transfer, extension, or abandonment of rail lines; and acquisition of control of rail common carriers. The STB continues its efforts to explore expanding rail regulation and is reviewing proposed rulemaking in various areas, including reciprocal switching and commodity exemptions, and has finalized rules creating new procedures for smaller rate complaints that are being reviewed in appellate courts. The STB also continues to explore changes to the methodology for determining railroad revenue adequacy, and the possible uses of revenue adequacy in regulating railroad rates, rates, and ways to regulate service, including by use of emergency service orders. The STB posts quarterly reports on rate reasonableness cases, maintains a database on service complaints, and has the authority to initiate investigations, among other things.

DOT, the Occupational Safety and Health Administration, the Pipeline and Hazardous Materials Safety Administration, and DHS, along with other federal agencies, have jurisdiction over certain aspects of safety, movement of hazardous materials and hazardous waste, emissions requirements, and equipment standards. Additionally, various state and local agencies have jurisdiction over disposal of hazardous waste and seek to regulate movement of hazardous materials in ways not preempted by federal law.

Environmental Regulation – We are subject to extensive federal and state environmental statutes and regulations pertaining to public health and the environment. The statutes and regulations are administered and monitored by the Environmental Protection Agency (EPA) and by various state environmental agencies, such as the California Air Resources Board (CARB) and the Texas Commission on Environmental Quality (TCEQ), among others. The primary laws affecting our operations are the Resource Conservation and Recovery Act, regulating the management and disposal of solid and hazardous wastes; the Comprehensive Environmental Response, Compensation, and Liability Act, regulating the cleanup of contaminated properties; the Clean Air Act, regulating air emissions; and the Clean Water Act, regulating wastewater discharges.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Environmental, Item 7, and Note 17 to the Financial Statements and Supplementary Data, Item 8.

Item 1A. Risk Factors

The following discussion addresses significant factors, events, and uncertainties that make an investment in our securities risky and provides important information for the understanding of our “forward-looking statements,” which are discussed immediately preceding Item 7A of this Form 10-K and elsewhere. The risk factors set forth in this Item 1A should be read in conjunction with the rest of the information included in this report, including Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 7, and Financial Statements and Supplementary Data, Item 8.

We urge you to consider carefully the factors described below and the risks that they present for our operations as well as the risks addressed in other reports and materials that we file with the SEC and the other information included or incorporated by reference in this Form 10-K. When the factors, events, and contingencies described below or elsewhere in this Form 10-K materialize, our business, reputation, financial condition, results of operations, cash flows, or prospects can be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our business, reputation, financial condition, results of operations, cash flows, and prospects.

Strategic and Operational Risks

We Must Manage Fluctuating Demand for Our Services and Network Capacity – Significant reductions in demand for rail services with respect to one or more commodities or changes in consumer preferences that affect the businesses of our customers can lead to increased costs associated with resizing our operations, including higher unit operating costs and costs for the storage of locomotives, rail cars, and other equipment; workforce adjustments; and other related activities, which could have a material adverse effect on our results of operations, financial condition, and liquidity. If there is significant demand for our services that exceeds the designed capacity of our network or shifts in traffic flow that are contrary to the designed capacity of our network, we may experience network difficulties, including congestion and reduced velocity, that could compromise the level of service we provide to our customers. This level of demand **also** may **also** compound the impact of weather and weather-related events on our operations and velocity. Although we continue to work to improve our transportation plan, add capacity, improve operations at our yards and other facilities, and improve our ability to address surges in demand for any reason **with adequate resources, by carrying a resource buffer,** we cannot be sure that these measures will fully or adequately address any service shortcomings resulting from demand exceeding our planned capacity. We may experience other operational or service difficulties related to network capacity, dramatic and unplanned fluctuations in our customers' demand for rail service with respect to one or more commodities or operating regions, or other events that could negatively impact our operational efficiency, which could all have a material adverse effect on our results of operations, financial condition, and liquidity.

We Transport Hazardous Materials – We transport certain hazardous materials and other materials, including crude oil, ethanol, and toxic inhalation hazard (TIH) materials, such as chlorine, that pose certain risks in the event of a release or combustion. Additionally, U.S. laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. A rail accident or other incident or accident on our network, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials could involve significant costs and claims for personal injury, property damage, and environmental penalties and remediation in excess of our insurance coverage for these risks, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Rely on Technology and Technology Improvements in Our Business Operations – We rely on information technology in all aspects of our business, including technology systems operated by us or under control of third-parties. If we do not have sufficient capital or do not deploy sufficient capital in a timely manner to acquire, develop, or implement new technology or maintain or upgrade current systems, such as Positive Train Control (PTC) or the latest version of our transportation control systems, we may suffer a rail service outage or competitive disadvantage within the rail industry and with companies providing other modes of transportation service, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Are Subject to Cybersecurity Risks – We rely on information technology in all aspects of our business, including technology systems operated by us (whether created by us or purchased), under control of third-parties, and open-source software. Although we devote significant resources to protect our technology systems and proprietary data, we have experienced and will likely continue to experience varying degrees of cyber incidents in the normal course of business. There can be no assurance that the systems we have designed to identify, prevent, or limit the effects of cyber incidents **or attacks** will be sufficient to prevent or detect such incidents, **or attacks**, or to avoid a material adverse impact on our systems after such incidents **or attacks** do occur. Furthermore, due to the rising numbers and increasing sophistication of cyber-attacks, an increasingly complex information technology supply chain, and the nature of zero-day exploits, we may be unable to anticipate or implement adequate **preventative** measures to prevent a security breach, including by ransomware **or as a result of human error or other cyber-attack methods**, from materially **disrupting** **affecting** our systems or the systems of third-parties upon which we rely. A **successful cyber-attack** **cyber incident** that results in significant service interruption; safety failure; other operational difficulties; unauthorized access to (or the loss of access to) competitively sensitive, confidential, or other critical data or systems; loss of customers; financial losses; regulatory fines; **and reputational harm;** **or** misuse or corruption of critical data and proprietary information, could have a material adverse impact on our results of operations, financial condition, and liquidity. We may experience security breaches that could remain undetected for an extended period and, therefore, have a greater impact on **the services we offer, us.** Additionally, we may be exposed to increased cybersecurity risk because we are a component of the critical U.S. infrastructure.

Severe Weather Could Result in Significant Business Interruptions and Expenditures – As a railroad with a vast network, we are exposed to severe weather conditions and other natural phenomena, including earthquakes, hurricanes, fires, floods, mudslides or landslides, extreme temperatures, avalanches, and significant precipitation, and climate change may cause or contribute to the severity or frequency of such weather conditions. Line outages and other interruptions caused by these conditions **has in the past and can in the future** adversely affect **parts or all of** our entire rail network, potentially negatively affecting revenues, costs, and liabilities, despite efforts we undertake to plan for these events. Our revenues can also be adversely affected by severe weather that causes damage and disruptions to our customers. These impacts caused by severe weather could have a material adverse effect on our results of operations, financial condition, and liquidity.

A Significant Portion of Our Revenues Involves Transportation of Commodities to and from International Markets – Although revenues from our operations are attributable to transportation services provided in the U.S., a significant portion of our revenues involves the transportation of commodities to and from international markets, including Mexico, Canada, and Southeast Asia, by various carriers and, at times, various modes of transportation. Significant and sustained interruptions of trade with Mexico, Canada, or countries in Southeast Asia, including China, could adversely affect customers and other entities that, directly or indirectly, purchase or rely on rail transportation services in the U.S. as part of their operations, and any such interruptions, **including international armed conflicts such as the Russia-Ukraine and Israel-Hamas wars,** could have a material adverse effect on our results of operations, financial condition, and liquidity. Any one or more of the following could cause a significant and sustained interruption of trade with Mexico, Canada, or countries in Southeast Asia: (a) a deterioration of security for international trade and businesses; (b) the adverse impact of new laws, rules, and regulations or the interpretation of

laws, rules, and regulations by government entities, courts, or regulatory bodies, including the United States-Mexico-Canada Agreement (USMCA) and a "Phase One" or other international trade agreement with China; agreements; (c) actions of taxing authorities that affect our customers doing business in foreign countries; (d) any significant adverse economic developments, such as extended periods of high inflation, material disruptions in the banking sector or in the capital markets of these foreign countries, and significant changes in the valuation of the currencies of these foreign countries that could materially affect the cost or value of imports or exports; (e) shifts in patterns of international trade that adversely affect import and export markets; (f) a material reduction in foreign direct investment in these countries; and (g) public health crises, including the outbreak of pandemic or contagious disease, such as the coronavirus and its variant strains (COVID).

We Are Dependent on Certain Key Suppliers of Locomotives and Rail – Due to the capital-intensive nature and sophistication of locomotive equipment, parts, and maintenance, potential new suppliers face high barriers to entry. Therefore, if one of the domestic suppliers of locomotives discontinues manufacturing locomotives, supplying parts, or providing maintenance for any reason, including bankruptcy or insolvency or the inability to manufacture locomotives that meet efficiency or regulatory emissions standards, we could experience significant cost increases and reduced availability of the locomotives that are necessary for our operations. Additionally, we utilize a limited number of steel producers that meet our specifications. Rail is critical to our operations for rail replacement programs, maintenance, and for adding additional network capacity, new rail and storage yards, and expansions of existing facilities. This industry similarly has high barriers to entry, and if one of these suppliers discontinues operations for any reason, including bankruptcy or insolvency, we could experience both significant cost increases for rail purchases and difficulty obtaining sufficient rail for maintenance and other projects. Changes to trade agreements or policies that result in increased tariffs on goods imported into the United States could also result in significant cost increases for rail purchases and difficulty obtaining sufficient rail.

Workforce Risks

Strikes or Work Stoppages Could Adversely Affect Our Operations – The U.S. Class I railroads are party to collective bargaining agreements with various labor unions. The majority of our employees belong to labor unions and are subject to these agreements. Disputes over the terms of these agreements or our potential inability to negotiate acceptable contracts with these unions can lead to, among other things, strikes, work stoppages, slowdowns, or lockouts, which could cause a significant disruption of our operations and have a material adverse effect on our results of operations, financial condition, and liquidity. Additionally, future national labor agreements, or renegotiation of labor agreements or provisions of labor agreements, could compromise our service reliability or significantly increase our costs for health care, wages, and other benefits, which could have a material adverse impact on our results of operations, financial condition, and liquidity. Labor disputes, work stoppages, slowdowns, or lockouts at loading/unloading facilities, ports, or other transport access points could compromise our service reliability and have a material adverse impact on our results of operations, financial condition, and liquidity. Labor disputes, work stoppages, slowdowns, or lockouts by employees of our customers or our suppliers could compromise our service reliability and have a material adverse impact on our results of operations, financial condition, and liquidity.

The Availability of Qualified Personnel Could Adversely Affect Our Operations – Changes in demographics, training requirements, and pandemic illnesses or restrictions could negatively affect the availability of qualified personnel for us, our customers, and throughout the supply chain. Our ability to quickly react to other factors that affect our ability to attract and retain employees may be restricted due to limited flexibility to make unilateral changes to collective bargaining agreements, which cover the majority of our workforce. Unpredictable increases in demand for rail services and a lack of network fluidity may exacerbate our risks, which could have a negative impact on our operational efficiency and otherwise have a material adverse effect on our results of operations, financial condition, and liquidity.

Legal and Regulatory Risks

We Are Subject to Significant Governmental Regulation – We are subject to governmental regulation by a significant number of federal, state, and local authorities covering a variety of health, safety, labor, environmental, economic (as discussed below), tax, and other matters. Many laws and regulations require us to obtain and maintain various licenses, permits, and other authorizations, and we cannot guarantee that we will continue to be able to do so. Our failure to comply with applicable laws and regulations could have a material adverse effect on us. Governments or regulators may change the legislative or regulatory frameworks that we operate in without providing us any recourse to address any adverse effects on our business, including, without limitation, regulatory determinations or rules regarding dispute resolution, increasing the amount of our traffic subject to common carrier regulation, business relationships with other railroads, use of embargoes, calculation of our cost of capital or other inputs relevant to computing our revenue adequacy, the prices we charge, changes in tax rates, enactment of new tax laws, and revision in tax regulations. Significant legislative activity in Congress or regulatory activity by the STB could expand regulation of railroad operations and pricing for rail services, which could reduce capital spending on our rail network, facilities, and equipment, and have a material adverse effect on our results of operations, financial condition, and liquidity.

We May Be Subject to Various Claims and Lawsuits That Could Result in Significant Expenditures – As a railroad with operations in densely populated urban areas and a vast rail network, we are exposed to the potential for various claims and litigation related to labor and employment, personal injury, property damage, environmental liability, and other matters. Any material changes to litigation trends or a catastrophic rail accident or series of accidents involving any or all of property damage, personal injury, and environmental liability that exceed our insurance coverage for such risks could have a material adverse effect on our results of operations, financial condition, and liquidity. *In addition, some of these matters could impact the cost of obtaining, or availability in general, of insurance coverage meant to cover these types of risks.*

We Are Subject to Significant Environmental Laws and Regulations – Due to the nature of the railroad business, our operations are subject to extensive federal, state, and local environmental laws and regulations concerning, among other things, emissions to the air; discharges to waters; handling, storage, transportation, and disposal of waste and other materials; and hazardous material or petroleum releases. We generate and transport hazardous and non-hazardous waste in our operations. Environmental liability can extend to previously owned or operated properties, leased properties, properties owned by third-parties, as well as properties we currently own. Environmental liabilities have arisen and may also arise from claims asserted by adjacent landowners or other third-parties in toxic tort litigation. We have been and may be subject to allegations or findings that we have violated, or are strictly liable under, these laws or regulations. We currently have certain obligations at existing sites for investigation, remediation, and monitoring, and we likely will have obligations at other sites in the future. We maintain adequate reserves for liabilities for these obligations, but fluctuations of potential costs affect our estimates based on our experience and, as necessary, the advice and assistance of our consultants. However, actual costs may vary from our estimates due to any or all of several factors, including changes to environmental laws or interpretations of such laws, technological changes affecting investigations and remediation, the participation and financial viability of other parties responsible for any such liability, and the corrective action or change to corrective actions required to remediate any existing or future sites. We could incur significant costs as a result of any of the foregoing, and we may be required to incur significant expenses to investigate and remediate known, unknown, or future environmental contamination, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Macroeconomic and Industry Risks

We Face Competition from Other Railroads and Other Transportation Providers – We face competition from other railroads, motor carriers, ships, barges, and pipelines. Our main railroad competitor is Burlington Northern Santa Fe LLC. Its primary subsidiary, BNSF Railway Company (BNSF), operates parallel routes in many of our main traffic corridors. In addition, we operate in corridors served by other railroads and motor carriers. Motor carrier competition exists in all three of our commodity groups. Because of the proximity of our routes to major inland and Gulf Coast waterways, barges can be particularly competitive, especially for grain and bulk commodities in certain areas where we operate. In addition to price competition, we face competition with respect to transit times, quality, and reliability of service from motor carriers and other railroads. Motor carriers in particular can have an advantage over railroads with respect to transit times and timeliness of service. However, railroads are much more fuel-efficient than trucks, which reduces the impact of transporting goods on the environment and public infrastructure, and we have been making efforts to convert truck traffic to rail. Additionally, we must build or acquire and maintain our rail system, while trucks, barges, and maritime operators are able to use public rights-of-way maintained by public entities. Any of the following could also affect the competitiveness of our transportation services for some or all of our commodities, which could have a material adverse effect on our results of operations, financial condition, and liquidity: (a) improvements or expenditures materially increasing the quality or reducing the costs of these alternative modes of transportation, such as autonomous or more fuel efficient trucks, (b) legislation that eliminates or significantly increases the size or weight limitations applied to motor carriers, or (c) legislation or regulatory changes that impose operating restrictions on railroads or that adversely affect the profitability of some or all railroad traffic. Many movements face product or geographic competition where our customers can use different products (e.g., natural gas instead of coal, sorghum instead of corn) or commodities from different locations (e.g., grain from states or countries that we do not serve, crude oil from different regions). Sourcing different commodities or different locations allows shippers to substitute different carriers and such competition may reduce our volume or constrain prices. Additionally, any future consolidation of the rail industry could materially affect our competitive environment.

We May Be Affected by Climate Change and Market or Regulatory Responses to Climate Change – Climate change, including the impact of global warming and transition risks involving policy, legal risks, and market risks, could have a material adverse effect on our results of operations, financial condition, and liquidity over both a long-term and near-term basis. Restrictions, caps, taxes, or other controls on emissions of GHGs, including diesel exhaust, could significantly increase our operating costs. Restrictions on emissions could also affect our customers that (a) use commodities that we carry to produce energy, (b) use significant amounts of energy in producing or delivering the commodities we carry, or (c) manufacture or produce goods that consume significant amounts of energy or burn fossil fuels, including chemical producers, farmers and food producers, and automakers and other manufacturers. Significant cost increases, government regulation, or changes of consumer preferences for goods or services relating to alternative sources of energy, emissions reductions, and GHG emissions could materially affect the markets for the commodities we carry and demand for our services, which in turn could have a material adverse effect on our results of operations, financial condition, and liquidity. Government incentives encouraging the use of alternative sources of energy also could affect certain of our customers and the markets for certain of the commodities we carry in an unpredictable manner that could alter our traffic patterns, including, for example, increasing royalties charged to producers of PRB coal by the U.S. Department of Interior and the impacts of ethanol incentives on farming and ethanol producers. We could face increased costs related to defending and resolving legal claims and other litigation or complying with laws or regulations related to climate change and the alleged impact of our operations on climate change. Violent weather caused by climate change, including hurricanes, fires, floods, extreme temperatures, avalanches, and significant precipitation has in the past and could in the future cause line outages and other interruptions to our infrastructure. Any of these factors, individually or in operation with one or more of the other factors, or other unpredictable impacts of climate change could reduce the amount of traffic we handle and have a material adverse effect on our results of operations, financial condition, and liquidity. While we work to implement our Climate Action Plan, our efforts to achieve emission reduction targets could significantly increase our operational costs and capital expenditures. In addition, stakeholder expectations regarding some of these matters may be evolving and there may be differing views among stakeholders, which could harm our reputation or increase our costs.

Our Business, Financial Condition, and Results of Operations have been Adversely Affected, and in the Future, Could be Materially Adversely Affected by Pandemics or Other Public Health Crises – Pandemics, epidemics, and other outbreaks of disease can have significant and widespread impacts. As we saw during the peaks of the COVID pandemic, outbreaks of disease can cause a global slowdown of economic activity (including the decrease in demand for a broad variety of goods), disruptions in global supply chains, and

significant volatility and disruption of financial markets, resulting further in adverse effects on workforces, customers, and regional and local economies. The impact of pandemics or public health crises on our results of operations and financial condition may depend on numerous evolving factors, including, but not limited to: governmental, business, and individuals' actions that have been and continue to be taken in response to a global pandemic or other public health crises (including restrictions on travel and transport, workforce pressures, social distancing, and shelter-in-place orders); the effect of a pandemic or other public health crises on economic activity and actions taken in response; the effect on our customers and their demand for our services; the effect of a pandemic or other public health crises on the credit-worthiness of our customers; national or global supply chain challenges or disruption; facility closures; commodity cost volatility; general macroeconomic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery as the pandemic subsides as well as response to a potential reoccurrence. Further, a pandemic or other public health crises, and the volatile regional and global economic conditions stemming from such an event, could also precipitate and aggravate the other risk factors that we identify, which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability), and/or stock price. Additionally, a pandemic or other public health crises also may affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations.

Financial Risks

We Are Affected By Fluctuating Fuel Prices – Fuel costs constitute a significant portion of our transportation expenses. Diesel fuel prices can be subject to dramatic fluctuations, and significant price increases could have a material adverse effect on our operating results. Although we currently are able to recover a significant amount of our fuel expenses from our customers through revenues from fuel surcharges, we cannot be certain that we will always be able to mitigate rising or elevated fuel costs through our fuel surcharges. Additionally, future market conditions or legislative or regulatory activities could adversely affect our ability to apply fuel surcharges or adequately recover increased fuel costs through fuel surcharges. As fuel prices fluctuate, our fuel surcharge programs trail such fluctuations in fuel **price prices** by approximately two months, and may be a significant source of quarter-over-quarter and year-over-year volatility, particularly in periods of rapidly changing prices. International, political, and economic factors, events and conditions, including **international armed conflicts such as the start of the Russian-Ukraine conflict in late February 2022, Russia-Ukraine and Israel-Hamas wars**, affect the volatility of fuel prices and supplies. Weather can also affect fuel supplies and limit domestic refining capacity. A severe shortage of, or disruption to, domestic fuel supplies could have a material adverse effect on our results of operations, financial condition, and liquidity. Alternatively, lower fuel prices could have a positive impact on the economy by increasing consumer discretionary spending that potentially could increase demand for various consumer products we transport. However, lower fuel prices could have a negative impact on other commodities we transport, such as coal and domestic drilling-related shipments, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Rely on Capital Markets – Due to the significant capital expenditures required to operate and maintain a safe and efficient railroad, we rely on the capital markets to provide some of our capital requirements. We utilize long-term debt instruments, bank financing, and commercial paper, and we pledge certain amount of our receivables as collateral for credit. Significant instability or disruptions of the capital markets, including, among other things, **current rising elevated interest rates in the credit markets and/or changes in interest rates**, or deterioration of our financial condition due to internal or external factors could restrict or prohibit our access to, and significantly increase the cost of, commercial paper and other financing sources, including bank credit facilities and the issuance of long-term debt, including corporate bonds. A significant deterioration of our financial condition could result in a reduction of our credit rating to below investment grade, which could restrict us from utilizing our current receivables securitization facility (Receivables Facility). This may also limit our access to external sources of capital and significantly increase the costs of short and long-term debt financing.

General Risk Factors

We Are Affected by General Economic Conditions – Prolonged, severe adverse domestic and global macroeconomic conditions or disruptions of financial and credit markets, including, for example, the recessionary fears, **inflationary pressures, and high inflation elevated interest rates** we are seeing in the current economic environment, may affect the producers and consumers of the commodities we carry and may have a material adverse effect on our access to liquidity, results of operations, and financial condition.

We May Be Affected by Acts of Terrorism, War, or Risk of War – Our rail lines, facilities, and equipment, including rail cars carrying hazardous materials, could be direct targets or indirect casualties of terrorist attacks. Terrorist attacks, or other similar events, any government response thereto, and war or risk of war may adversely affect our results of operations, financial condition, and liquidity. In addition, insurance premiums for some or all of our current coverages could increase dramatically, or certain coverages may not be available to us in the future.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company is subject to cybersecurity threats that could have a material adverse impact on our results of operations, financial condition, and liquidity. See also our discussion in the Risk Factors in Item 1A of this report. As a component of our Company-wide enterprise risk management framework, we implemented a cybersecurity program whose objective is to assess, identify, and manage risks from cybersecurity threats that may result in adverse effects on the confidentiality, integrity, and availability of the electronic information

systems that we own. We regularly perform internal security assessments, engage third-party consultants to conduct external security assessments, and participate in, conduct, and/or administer exercises, drills, and recovery tests as part of this program. We also maintain training programs and policies and procedures designed to safeguard employee handling and use of data, internet usage, controlled access measures, and physical protections. We consult with industry groups, monitor threat intelligence reports, and communicate with various government agencies in an effort to stay up-to-date on changes in the cybersecurity threat landscape. This program, in addition to addressing our own information systems, is also designed to oversee, identify, and reduce the potential impact of a security incident at a third-party service provider or that otherwise impacts third-party technology and systems we use.

Internal Cybersecurity Team

The Company's internal information security organization (Internal Cybersecurity Team), led by our Executive Vice President and Chief Information Officer (CIO) as well as the Assistant Vice President and Chief Information Security Officer (CISO), is responsible for coordinating all aspects of the Company's electronic information security systems, including prevention, detection, mitigation, and remediation of cybersecurity incidents, as well as implementing, monitoring, and maintaining our enterprise-wide security strategy, standards, architecture, policies, and processes. Our CIO reports directly to our Chief Executive Officer, our CISO reports to our CIO, and reporting to our CISO are our Deputy Chief Information Security Officer (Deputy CISO) and other experienced information security personnel responsible for various parts of our business. In addition to our internal cybersecurity capabilities, we also periodically engage assessors, consultants, auditors, and other third parties to assist with assessing, identifying, and managing cybersecurity risks. When the Company learns of a cybersecurity incident at a third-party service provider, the Company's respective department contacts maintain communication with the third-party service provider and communicate any cybersecurity incidents to the CISO.

Security Policy and Requirements

As part of the Company's Crisis Management Plan, the Company's cybersecurity Incident Response Plan (the IRP) provides a framework for responding to cybersecurity incidents. The IRP sets out a coordinated approach to discovering, investigating, containing, tracking, mitigating, and remediating cybersecurity incidents, including a framework for elevating and reporting findings and keeping senior management and other key stakeholders informed and involved, based on assessments regarding the scope or significance of incidents. The IRP applies to the Company's extended computing environment, including electronic information resources that are owned or used by the Company and are routinely relied on to support our operations.

The Internal Cybersecurity Team has robust processes and redundancies in place designed with the objective of deterring, detecting, mitigating, and responding to potential cybersecurity threats, which includes a vulnerability assessment, prioritization, and remediation program. The Internal Cybersecurity Team also performs regular system penetration testing to validate our security controls and assess our infrastructure and applications. All management employees take mandatory periodic security awareness training on the Company's data security policies and procedures, which is supplemented by Company-wide testing initiatives, including periodic phishing tests. Additionally, in 2023, our Board of Directors and certain management employees participated in a tabletop exercise to simulate a response to a cybersecurity incident, and our Internal Cybersecurity Team incorporated the findings from this exercise into our processes.

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Our information security program is designed to align our defenses and resources to identify, assess, and address more likely and more damaging cyber events, to provide support for our organizational mission and operational objectives, and to position us to deter, detect, mitigate, and respond to a wide variety of potential attacks in a timely fashion. Our information security program employs quantitative and qualitative approaches to evaluate the effectiveness of controls and assess the resiliency of critical computing resources. This data is combined with knowledge of common attack techniques to assess the likelihood of components being compromised and assess potential financial implications under different scenarios. The results are used to help identify potentially material risks and provide insights which are taken into account when prioritizing our security initiatives.

Material Cybersecurity Risks, Threats, and Incidents

Due to the evolving nature of cybersecurity threats, it has and will continue to be difficult to prevent, detect, mitigate, and remediate cybersecurity incidents. While we are not aware of having experienced any material effects or reasonably likely material effects on our Company, its business strategy, results of operations, or financial condition resulting from cybersecurity threats or incidents to date, as a critical infrastructure provider, we may be a target of well-funded and sophisticated adverse actors. There can be no guarantee that we will not be the subject of future risks or incidents that have such an effect, or that we are not currently the subject of an undetected risk or incident that may have such an effect. We also rely on information technology and third-party vendors to support our operations, including our secure processing of personal, confidential, sensitive, proprietary, and other types of information. Despite ongoing efforts to continue improvement of our and our vendors' ability to protect against cyber incidents, we may not be able to protect all of the information systems we use. Incidents may lead to reputational harm, revenue and client loss, legal actions, or statutory penalties, among other consequences. For a more detailed discussion of these risks, see our discussion in the Risk Factors in Item 1A of this report.

Governance

The Board of Directors has delegated primary oversight of the Company's cybersecurity risk to the Audit Committee, which receives updates on cybersecurity risks and incidents at each regularly scheduled Audit Committee meeting from the CIO, CISO, and other members of management, as needed. When making decisions regarding director appointments and committee assignments, the Board of Directors takes into consideration the cybersecurity experience of directors and director candidates and strives to maintain cybersecurity expertise on the Board of Directors and Audit Committee. We have protocols by which certain cybersecurity incidents are reported to the Audit Committee and Board of Directors. At the management level, our CIO, CISO, and Deputy CISO, each of whom has extensive cybersecurity knowledge and skills gained from over 27 years, 28 years, and 19 years of relevant work experience, respectively, head the Internal Cybersecurity Team that is responsible for implementing and maintaining cybersecurity and data protection practices across our business, with our CIO reporting directly to our Chief Executive Officer. In 2023, our CIO was appointed to serve as a member of the U.S. Cybersecurity Advisory Committee (CSAC) of the Cybersecurity and Infrastructure Security Agency (CISA), which provides recommendations to CISA on a range of cybersecurity issues, including corporate cyber responsibility, technology product safety, and efforts to raise the baseline of cybersecurity practices for a variety of entities to enhance the United States' cyber defense. Our CISO and Deputy CISO receive reports on cybersecurity threats from a number of experienced information security professionals for various parts of our business on an ongoing basis and, in conjunction with other management personnel, regularly consult on risk management measures implemented by the Company to identify and mitigate data protection and cybersecurity risks.

In addition, our Risk and Compliance Committee (RCC) is responsible for oversight and support of the Company's Enterprise Risk Management and Compliance and Ethics programs and is comprised of the Executive Leadership Team and the Senior Vice President and Chief Accounting, Risk, and Compliance Officer (Compliance Officer). The RCC also created a subcommittee, the Enterprise Risk Management Committee (ERMC), who is charged with continually monitoring, evaluating, and managing enterprise risks. The ERMC includes the Compliance Officer, General Auditor, Vice President Law - Finance and Compliance, Vice President and Chief Safety Officer, CISO, and Assistant Vice President - Corporate Strategy. The RCC and ERMC both meet throughout the year and receive periodic updates on cybersecurity from the CISO and Deputy CISO.

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Item 2. Properties

We employ a variety of assets in the management and operation of our rail business. Our rail network covers 23 states in the western two-thirds of the U.S.



TRACK

Our rail network includes 32,534 32,693 route miles. We own 26,121 26,110 miles and operate on the remainder pursuant to trackage rights or leases. The following table describes track miles:

As of December 31,	2022	2021	2023	2022
Route	32,534	32,452	32,693	32,534
Other main line	7,113	7,093	7,117	7,113
Passing lines and turnouts	3,454	3,412	3,466	3,454
Switching and classification yard lines	8,853	8,887	8,852	8,853
Total miles	51,954	51,844	52,128	51,954

HEADQUARTERS BUILDING

We own our headquarters building in Omaha, Nebraska. The facility has 1.2 million square feet of space that can accommodate approximately 4,000 employees.

HARRIMAN DISPATCHING CENTER

The Harriman Dispatching Center (HDC), located in Omaha, Nebraska, is our primary dispatching facility. It is linked to regional dispatching and locomotive management facilities at various locations along our network. HDC employees coordinate moves of locomotives and trains, manage traffic and train crews on our network, and coordinate interchanges with other railroads. Generally, around 500 employees work on-site in the facility. In the event of a disruption of operations at HDC due to a cyber-attack, flooding or severe weather, pandemic outbreak, or other event, we maintain the capability to conduct critical operations at back-up facilities in different locations.

RAIL FACILITIES

In addition to our track structure, we operate numerous facilities, including terminals for intermodal and other freight; rail yards for building trains (classification yards), switching, storage-in-transit (the temporary storage of customer goods in rail cars prior to shipment), and other activities; offices to administer and manage our operations; dispatching centers to direct traffic on our rail network; crew on duty locations for train crews along our network; and shops and other facilities for fueling, maintenance, and repair of locomotives and repair and maintenance of rail cars and other equipment. The following table includes the major yards and terminals on our system:

Major Classification Yards	Major Intermodal Terminals
North Platte, Nebraska	Joliet (Global 4), Illinois
Englewood (Houston), Texas	Global II (Chicago), Illinois
North Little Rock, Arkansas	East Los Angeles, California
Livonia, Louisiana	Mesquite, Texas
West Colton, California	Lathrop, ICTF (Long Beach), California
Fort Worth, Texas	LATC (Los Angeles), Mesquite, Texas
Roseville, California	Lathrop, California
Houston, Texas	ICTF (Los Angeles), City of Industry, California

RAIL EQUIPMENT

Our equipment includes owned and leased locomotives and rail cars; heavy maintenance equipment and machinery; other equipment and tools in our shops, offices, and facilities; and vehicles for maintenance, transportation of crews, and other activities. As of **December 31, 2022** **December 31, 2023**, we owned or leased the following units of equipment:

	Average				Average			
	Owned	Leased	Total	Age (yrs.)	Owned	Leased	Total	Age (yrs.)
Locomotives								
Multiple purpose	6,083	1,038	7,121	23.4	5,971	1,037	7,008	24.3
Switching	149	-	149	42.7	132	-	132	43.5
Other	15	53	68	42.5	14	-	14	51.2
Total locomotives	6,247	1,091	7,338	N/A	6,117	1,037	7,154	N/A
Freight cars								Average
Covered hoppers	13,761	9,474	23,235					21.3
Open hoppers	4,846	775	5,621					36.4
Gondolas	6,396	4,492	10,888					23.1
Boxcars	3,389	7,572	10,961					32.7
Refrigerated cars	2,444	1,199	3,643					21.8
Flat cars	2,216	2,254	4,470					32.6
Other	-	371	371					35.2
Total freight cars	33,052	26,137	59,189					N/A
Highway revenue equipment								Average
Containers	47,439	545	47,984					12.2
Chassis	30,635	17,705	48,340					13.2
Total highway revenue equipment	78,074	18,250	96,324					N/A

	Average			
	Owned	Leased	Total	Age (yrs.)
Freight cars				
Covered hoppers	13,360	9,714	23,074	22.1
Open hoppers	4,926	779	5,705	35.8
Gondolas	6,188	4,060	10,248	24.2
Boxcars	2,598	6,877	9,475	38.2
Refrigerated cars	2,496	1,371	3,867	22.4
Flat cars	2,248	1,450	3,698	32.4
Other	-	312	312	31.4
Total freight cars	31,816	24,563	56,379	N/A
Highway revenue equipment				Average
Containers	48,180	1,356	49,536	11.4
Chassis	29,703	19,616	49,319	12.0
Total highway revenue equipment	77,883	20,972	98,855	N/A

We continuously assess our need for equipment to run an efficient and reliable network. Many factors cause us to adjust the size of our active fleets, including changes in carload volume, weather events, seasonality, customer preferences, and operational efficiency initiatives. As some of these factors are difficult to assess or can change rapidly, we maintain

a **surge fleet buffer** to remain agile. Without the surge fleet, our ability to react quickly is hindered as equipment suppliers are limited and lead times to acquire equipment are long and may be in excess of a year. We believe our locomotive and freight car fleets are appropriately sized to meet our current and future business requirements. These fleets serve as the most reliable and efficient equipment to facilitate growth without additional acquisitions. Locomotive and freight car in service utilization percentages for the year ended December 31, 2022 December 31, 2023, were 70% 69% and 78% 74%, respectively.

CAPITAL EXPENDITURES

Our rail network requires significant annual capital investments for replacement, improvement, and expansion. These investments enhance safety, support the transportation needs of our customers, improve our operational efficiency, and support emission reduction **initiatives outlined in our Climate Action Plan**. Additionally, we add new equipment to our fleet to replace older equipment and to support growth and customer demand.

2022 2023 Capital Program – During 2022 2023, our capital program totaled approximately \$3.4 \$3.7 billion. (See the cash capital investments table in Management's Discussion and Analysis of Financial Condition and Results of Operations **Liquidity and Capital Resources**, Item 7, of this report.)

2023 2024 Capital Plan – In 2023 2024, we expect our capital plan to be approximately \$3.6 \$3.4 billion, **up 6% down 8%** from 2022 2023. (See further discussion of our 2023 2024 capital plan in Management's Discussion and Analysis of Financial Condition and Results of Operations **Liquidity and Capital Resources**, Item 7, of this report.)

OTHER

Equipment Encumbrances – Equipment with a carrying value of approximately \$903 million See Note 14 and \$1.2 billion at December 31, 2022 16 to the Financial Statements and 2021, respectively, served as collateral for finance leases and other types of equipment obligations in accordance with the secured financing arrangements utilized to acquire or refinance such railroad equipment. **Supplementary Data**, Item 8.

Environmental Matters – Certain of our properties are subject to federal, state, and local laws and regulations governing the protection of the environment. (See discussion within this report of environmental issues in Business **Governmental and Environmental Regulation**, Item 1; Management's Discussion and Analysis of Financial Condition and Results of Operations **Critical Accounting Estimates Environmental**, Item 7; and Note 17 to the Financial Statements and **Supplementary Data**, Item 8.)

Item 3. Legal Proceedings

From time to time, we are involved in legal proceedings, claims, and litigation that occur in connection with our business. We routinely assess our liabilities and contingencies in connection with these matters based upon the latest available information and, when necessary, we seek input from our third-party advisors when making these assessments. Consistent with SEC rules and requirements, we describe below material pending legal proceedings (other than ordinary routine litigation incidental to our business), material proceedings known to be contemplated by governmental authorities, other proceedings arising under federal, state, or local environmental laws and regulations (including governmental proceedings involving potential fines, penalties, or other monetary sanctions in excess of \$1,000,000), and such other pending matters that we may determine to be appropriate.

ENVIRONMENTAL MATTERS

We receive notices from the EPA and state environmental agencies alleging that we are or may be liable under federal or state environmental laws for remediation costs at various sites throughout the U.S., including sites on the Superfund National Priorities List or state superfund lists. We cannot predict the ultimate impact of these proceedings and suits because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in this report in Management's Discussion and Analysis of Financial Condition and Results of Operations **Critical Accounting Estimates Environmental**, Item 7, and Note 17 to the Financial Statements and **Supplementary Data**, Item 8.

OTHER MATTERS

Antitrust Litigation – As we reported in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, 20 rail shippers (many of whom were represented by the same law firms) filed virtually identical antitrust lawsuits in various federal district courts against us and four other Class I railroads in the U.S. Currently, UPRR and three other Class I railroads are the named defendants in the lawsuits. The original plaintiff filed the first of these claims in the U.S. District Court in New Jersey on May 14, 2007. These suits alleged that the named railroads engaged in price-fixing by establishing common fuel surcharges for certain rail traffic.

On August 16, 2019, the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) affirmed the decision of U.S. District Court for the District of Columbia (U.S. District Court) denying class certification (the Certification Denial). Only five plaintiffs remain in this multidistrict litigation (MDL) originally filed in 2007, which remains pending. They are proceeding on a consolidated basis in the U.S. District Court before the Honorable Paul L. Friedman (MDL I). Since the Certification Denial, approximately **111106** lawsuits **have been filed** **are pending** in federal court based on claims identical to those alleged in the class certification case. The Judicial Panel on Multidistrict Litigation consolidated these suits for pretrial proceedings in the U.S. District Court before the Honorable Beryl A. Howell (MDL II).

On February 19, 2021, the court denied our motion to exclude plaintiffs' alleged evidence of conspiracy under a federal statute designed to incent and protect railroad communications made to further interline service (i.e., where two railroads are in the route). On May 17, 2022, the DC Circuit reversed the trial court and largely adopted the railroads' interpretation of the statute, although no individual evidentiary rulings were made.

We also filed a motion for summary judgment on May 14, 2021, in the MDL I proceedings, and the briefing was completed in September 2021. A hearing has not been scheduled on the motion.

As we reported in our Current Report on Form 8-K, filed on June 10, 2011, the Railroad received a complaint filed in the U.S. District Court for the District of Columbia on June 7, 2011, by Oxbow Carbon & Minerals LLC and related entities (Oxbow). **Just In 2019, Oxbow dismissed certain claims and the claims that remain are the same as it did the Plaintiffs' claims in the MDL proceedings, Union Pacific filed a motion for summary judgment on May 14, 2021, and no hearing has been scheduled.**

We continue to deny the allegations that our fuel surcharge programs violate the antitrust laws or any other laws. We believe that these lawsuits are without merit, and we will vigorously defend our actions. Therefore, we currently believe that these matters will not have a material adverse effect on any of our results of operations, financial condition, and liquidity.

Item 4. Mine Safety Disclosures

Not applicable.

Information About Our Executive Officers and Principal Executive Officers of Our Subsidiaries

The Board of Directors typically elects and designates our executive officers on an annual basis at the board meeting held in conjunction with the Annual Meeting of Shareholders, and they hold office until their successors are elected. Executive officers also may be elected and designated throughout the year, as the Board of Directors considers appropriate. There are no family relationships among the officers, nor is there any arrangement or understanding between any officer and any other person pursuant to officer selection. The following table sets forth certain information current as of **February 10, 2023** **February 9, 2024**, relating to the executive officers.

Name	Position	Business Experience During	
		Age	Past Five Years
Lance M. Fritz V. James Vena	Chairman, President, and Chief Executive Officer of UPC and the Railroad	60 65	Current Position [1]
Elizabeth F. Whited	President of UPC and the Railroad	58	[2]
Jennifer L. Hamann	Executive Vice President and Chief Financial Officer of UPC and the Railroad	55 56	[1] 3
Eric J. Gehringer	Executive Vice President - Operations of the Railroad	44	[4]
Rahul Jalali	Executive Vice President and Chief Information Officer of UPC and the Railroad	50	[5]
Craig V. Richardson	Executive Vice President, Chief Legal Officer, and Corporate Secretary of UPC and the Railroad	61 62	[2] 6
Kenny G. Rocker	Executive Vice President - Marketing and Sales of the Railroad	51 52	[3] Current Position
Todd M. Rynaski	Senior Vice President and Chief Accounting, Risk, and Compliance Officer of UPC and the Railroad	52 53	[4] 7
[1]	Mr. Vena was elected Chief Executive Officer of UPC and the Railroad effective August 14, 2023. He previously served as a Senior Advisor to the Chairman of UPC (January 2021 - June 2021) and Chief Operating Officer (January 2019 - December 2020).		
Eric J. Gehringer	Ms. Whited was elected President of UPC and the Railroad effective August 14, 2023. Ms. Whited most recently served as Executive Vice President - Operations of the Railroad	43	[5]
Elizabeth F. Whited	Executive Vice President - Sustainability and Strategy of UPC and the Railroad	57	[6] (February 2022 - August 2023). She previously served as Executive Vice President and Chief Human Resources Officer (August 2018 - February 2022).

[1] Ms. Hamann was elected Executive Vice President and Chief Financial Officer of UPC and the Railroad effective January 1, 2020. She previously served as Senior Vice President - Finance (April 2019 - December 2019) and Vice President - Planning & Analysis (October 2017 - March 2019).

[4] Mr. Gehringer was elected Executive Vice President - Operations of the Railroad effective January 1, 2021. Mr. Gehringer previously served as Senior Vice President - Transportation (July 2020 - December 2020), Vice President - Mechanical and Engineering (January 2020 - July 2020), and Vice President - Engineering (March 2018 - January 2020).

[5] Mr. Jalali was elected Executive Vice President and Chief Information Officer of UPC and the Railroad effective June 1, 2023. Mr. Jalali most recently served as Senior Vice President and Chief Information Officer (November 2020 - May 2023).

[2] Mr. Richardson was elected Executive Vice President, Chief Legal Officer, and Corporate Secretary of UPC and the Railroad effective December 8, 2020. He most recently served as Interim Executive Vice President, Chief Legal Officer, and Corporate Secretary of UPC and the Railroad (September 2020 - November 2020) and Vice President - Commercial and Regulatory Law since 2015.

[3] Mr. Rocker was elected Executive Vice President - Marketing and Sales of the Railroad effective August 15, 2018. Mr. Rocker previously served at the Railroad as Vice President - Marketing and Sales - Industrial team (October 2016 - July 2018 - August 2018).

[4] Mr. Rynaski was elected Senior Vice President and Chief Accounting, Risk, and Compliance Officer of UPC and the Railroad effective July 1, 2022. Mr. Rynaski previously served as Vice President and Controller (September 2015 - June 2022).

[5] Mr. Gehringer was elected Executive Vice President - Operations of the Railroad effective January 1, 2021. Mr. Gehringer previously served as Senior Vice President - Transportation (July 2020 - December 2020), Vice President - Mechanical and Engineering (January 2020 - July 2020), Vice President - Engineering (March 2018 - January 2020), and Assistant Vice President - Engineering (September 2016 - March 2018).

[6] Ms. Whited was elected Executive Vice President - Sustainability and Strategy of UPC and the Railroad effective February 3, 2022. She previously served as Executive Vice President and Chief Human Resources Officer (August 2018 - February 2022) and Executive Vice President and Chief Marketing Officer (December 2016 - August 2018).

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Our common stock is traded on the NYSE under the symbol "UNP".

At February 3, 2023 February 2, 2024, there were 611,872,981 609,777,914 shares of common stock outstanding and 28,959 27,949 common shareholders of record. On that date, the closing price of the common stock on the NYSE was \$210.29 \$248.33. We paid dividends to our common shareholders during each of the past 123 124 years.

Comparison Over One- and Three-Year Periods – The following table presents the cumulative total shareholder returns, assuming reinvestment of dividends, over one- and three-year periods for the Corporation (UNP), a peer group index (comprised of CSX Corporation and Norfolk Southern Corporation), the Dow Jones Transportation Index (DJ Trans), and the Standard & Poor's 500 Stock Index (S&P 500).

Period	UNP	Peer Group	DJ Trans	S&P 500
1 Year (2022)	(15.9)%	(16.1)%	(17.6)%	(18.1)%
3 Year (2020 - 2022)	22.0	33.6	27.9	24.7

Period	UNP	Peer Group	DJ Trans	S&P 500
1 Year (2023)	21.5%	6.9%	20.4%	26.3%
3 Year (2021 - 2023)	26.0%	12.9%	32.1%	33.0%

Five-Year Performance Comparison – The following graph provides an indicator of cumulative total shareholder returns for the Corporation as compared to the peer group index (described above), the DJ Trans, and the S&P 500. The graph assumes that \$100 was invested in the common stock of Union Pacific Corporation and each index on December 31, 2017 December 31, 2018, and that all dividends were reinvested. The information below is historical in nature and is not necessarily indicative of future performance.



Purchases of Equity Securities – During 2022, 2023, we repurchased 27,374,826 3,657,484 shares of our common stock at an average price of \$231.51 \$202.67. The following table presents common stock repurchases during each month for the fourth quarter of 2022: 2023.

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program	Maximum Number of Shares Remaining Under the Plan or Program [b]	Total Number of Shares Purchased [a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program	Maximum Number of Shares Remaining Under the Plan or Program [b]
Oct. 1 through Oct. 31	1,985,868	\$ 196.40	1,985,704	85,423,274	166	\$ 222.76	-	80,392,027
Nov. 1 through Nov. 30	1,235,296	206.48	1,234,889	84,188,385	3,069	219.57	-	80,392,027
Dec. 1 through Dec. 31	281,092	213.45	281,074	83,907,311	3,573	235.05	-	80,392,027
Total	3,502,256	\$ 201.32	3,501,667	N/A	6,808	\$ 227.77	-	N/A

[a] Total number of shares purchased during the quarter includes approximately 589,608 shares delivered or attested to UPC by employees to pay stock option exercise prices, satisfy excess tax withholding obligations for stock option exercises or vesting of retention units, and pay withholding obligations for vesting of retention shares.

[b] Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025, replacing our previous repurchase program. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and applicable notes to the Financial Statements and Supplementary Data, Item 8, and other information in this report, including Risk Factors set forth in Item 1A and Critical Accounting Estimates and Cautionary Information at the end of this Item 7. The following section generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 December 31, 2022.

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable business operating segment. Although we provide and analyze revenues are analyzed by commodity group, we analyze treat the net financial results of the Railroad as one segment due to the integrated nature of the rail network.

EXECUTIVE SUMMARY

2022 2023 Results

- **Safety** – Union Pacific is dedicated We initiated changes to maintaining a safe and healthy workplace. Throughout 2022, we continued to use our Total Safety Culture, Courage to Care, COMMIT (Coaching, Observing, Mentoring, and Motivating with Integrity and Trust), and Peer to Peer programs throughout our operations to enhance employee safety and engagement. In addition, based on the evaluation of a third-party expert on the effectiveness of these programs completed in 2021, we are implementing engagement improvements to enhance our safety culture. program that focused on training, culture, and refreshing how teams communicate and look out for each other. An analysis of historical injury data identified a large portion of our reportable injuries involve a failure to comply with a small number of critical operating rules. These initiatives include defining and setting standards for employee interactions, corrective actions and follow up, and root cause analysis. As a result critical rules are the foundation of these efforts, our new program that is being implemented. While our reportable personal injury incidents rate per 200,000 employee-hours deteriorated 4% from 2022, we improved in the latter part of 0.80 decreased 18% from 2021. We also continued to adapt to the evolving environment due to COVID and other illnesses. Safety procedures and policies are refined based on Centers for Disease Control and Prevention (CDC) guidelines. year.

We continued to refine our proprietary software called Precision Train Builder to evaluate train and route characteristics to enable proactive intervention by our Operating Practices Command Center to prevent derailments. In addition, we increased the replacement of freight car wheels and took steps software allows the team to address human factor yard derailments related simulate in-train forces to switch alignment. Despite these avoid train handling that would generate forces greater than tolerance limits. These efforts helped to drive our reportable derailment incident rate per million train miles increased 8% down 6% year-over-year.

Further supporting our efforts, in March, the AAR announced a set of key safety actions. These include the installation of additional hot wheel bearing wayside detectors and enhanced standards for how we proactively use and share critical data. In addition, the industry is expanding efforts in first responder training and deploying technology to provide real-time railcar condition monitoring.

- Network Operations Service** – Car trip plan compliance for both intermodal and manifest/automotive products improved compared to 2022. Throughout 2022, our the year we improved network was congested fluidity as reflected in several key corridors, which hindered our ability to handle all of the demand in several markets. To address this congestion, we aggressively hired faster freight car velocity and lower terminal dwell. We graduated 1,302 new train, engine, and yard employees; temporarily relocated over 1,900 train, engine, and yard employees to backfill attrition, cover absences resulting from recently negotiated sick leave benefits, and added employees in areas with the greatest need; added locomotives of critical need to the fleet in select locations; address operational challenges and reduced freight car inventory, relative to carloads, from support our network. Due to this congestion, our operating metrics deteriorated year-over-year. Freight car velocity decreased due to increased terminal dwell and higher operating car inventory levels, which drove lower train speeds. Additional details on these metrics are discussed in Other Operating/Performance and Financial Statistics of this Item 7.
- Freight Revenues Operational Excellence** – Freight revenues increased 14% year-over-year. The year began with weather disruptions across the network that impacted our operations. We deployed additional locomotives and aggressively hired train, engine, and yard employees to \$23.2 billion driven by higher fuel surcharge revenues, core pricing gains, alleviate these operational challenges. Despite the challenges, we continued to focus on using our resources effectively and a 2% increase productively, which resulted in volume. Volume increases were driven by strong production and inventory replenishment sequential improvement in the automotive industry, increased demand for coal due to higher natural gas prices, and continued strength in the industrial markets driven by rock, sand, and plastics. These gains were partially offset by declines in international intermodal, parcel, grain, and petroleum products. many of our operating metrics.
- Financial Results** – Higher Soft consumer markets, inflationary pressures, new labor agreements, fluctuating fuel prices, operational challenges, inflation, increased volume-related costs, issues, and a one-time charge for the labor agreements reached with first quarter weather disruptions negatively impacted our labor unions (See Labor Agreements in Other Matters in this Item 7 of Part II), drove a 20% increase in operating expenses. Partially offsetting these increases were lower weather-related expenses in 2022 compared to 2021, when we incurred additional costs associated with Winter Storm Uri and wildfires in California. Increased revenues, due to higher fuel surcharge revenues, improved pricing, additional volume, and intermodal accessorial charges, more than offset the increased expenses producing operating financial results. Operating income of \$9.9 billion, a 6% increase over 2021. Our \$9.1 billion declined 8% from 2022, and operating ratio was 60.1% 62.3%, deteriorating 2.9 2.2 points from 2021. 2022. Net income of \$7.0 billion \$6.4 billion translated into earnings of \$11.21 \$10.45 per diluted share, up 13% down 7% from 2021.
- Fuel Prices** – The onset of the Russia-Ukraine conflict in late February 2022 drove crude oil prices above \$100 a barrel, where it remained elevated until mid-2022, driving an increase in our average fuel price. While our average fuel price declined 8% in the fourth quarter from the second quarter high of \$4.03, our average price in the fourth quarter was 46% higher than the fourth quarter of 2021. 2022.

Our average price of diesel fuel for the full year of 2022 was \$3.65 per gallon, an increase of 64% from 2021. The higher price resulted in increased operating expenses of \$1.3 billion (excluding any impact from year-over-year volume increases). Gross ton-miles increased 3%, which also drove higher fuel expense. Partially offsetting these increases was a 1% improvement in our fuel consumption rate to a new full year record low.

- Liquidity** – We are continually evaluating our financial condition and liquidity. On December 31, 2022, we had \$973 million of cash and cash equivalents. Despite the challenging year, we generated \$9.4 billion \$8.4 billion of cash provided by operating activities, yielding free cash flow of \$2.7 billion \$1.5 billion after reductions of \$3.5 billion \$3.7 billion for cash used in investing activities and \$3.2 billion \$3.2 billion in dividends. We repurchased \$6.3 billion Both cash provided by operating activities and free cash flow were lowered by \$454 million of our shares. We have been, and we expect payments related to continue to be, in compliance the 2022 one-time charge for agreements reached with our debt covenants. We have \$2.0 billion labor unions and the ratification charge for a crew staffing agreement reached in the second quarter of credit available under our revolving credit facility and up to \$700 million undrawn on our Receivables Facility. As of December 31, 2022, none of the revolving credit facility was drawn. Additional details are discussed in Liquidity and Capital Resources of this Item 7. 2023.

Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Free cash flow is not considered a financial measure under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Free cash flow should be considered in addition to, rather than as a substitute for, cash provided by operating activities. The following table reconciles cash provided by operating activities (GAAP measure) to free cash flow (non-GAAP measure):

Millions	2022	2021	2020	2023	2022	2021
Cash provided by operating activities	\$ 9,362	\$ 9,032	\$ 8,540	\$ 8,379	\$ 9,362	\$ 9,032
Cash used in investing activities	(3,471)	(2,709)	(2,676)	(3,667)	(3,471)	(2,709)
Dividends paid	(3,159)	(2,800)	(2,626)	(3,173)	(3,159)	(2,800)
Free cash flow	\$ 2,732	\$ 3,523	\$ 3,238	\$ 1,539	\$ 2,732	\$ 3,523

2023 2024 Outlook

- Safety – Operating** Our goal is to be an industry leader in safety. We plan to improve the safety culture through our Courage to Care program. Courage to Care is reflected in actions such as giving and receiving feedback on unsafe behavior, finding and eliminating risk, and improving the safety of the work environment, so that everyone returns home safely. An enhanced safety management program focused on the critical rules that most impact safety will be rolled out to all employees in 2024. In addition, train, engine, and yard employees will be expected to attend a safe railroad benefits all our constituents: employees, customers, shareholders, and the communities we serve, full day safety training class to reinforce these critical rules. We will continue using a comprehensive safety management system approach utilizing technology, hazard identification and risk assessments, employee engagement, training, quality control, and targeted capital investments. We will continually evaluate and adjust deployment of Total Safety Culture, Courage to Care, COMMIT, and Peer to Peer resources throughout our operations, which allows us to identify and implement best practices for employee and operational safety. In addition, our Operating Practices Command Center will continue the implementation of help position us to implement predictive technology to reduce variability by seeking to identify causes of mainline service interruptions and develop solutions in addition to assisting employees with understanding best practices for handling trains. We will continue our efforts plan to utilize data to identify and mitigate exposure to risk, detect rail defects, improve or close crossings, and educate the public and law enforcement agencies about crossing safety through a combination of our own programs (including risk assessment strategies), industry programs, and local community activities across the network. We also are dedicated to maintaining Operating a healthy workplace safe railroad benefits all our stakeholders: employees, customers, shareholders, and continue monitoring the COVID case levels, modifying our policies as needed to protect employees and minimize communities we serve, while protecting the risk of workplace transmission.
- Network Operations –** In 2023, we strive to increase reliability of our service product, reduce variability in network operations, and improve resource availability, including actively hiring additional train, engine, and yard employees. Further train length initiatives allow us to efficiently add incremental volume growth to our existing train network. We will continue to make capital investments targeted to improve operational performance, handle more volume, and increase efficiency, requiring fewer locomotives, freight cars, and other critical resources. environment for future generations.
- Financial Expectations Service** – We expect volume are committed to outpace industrial production growth in 2023 due delivering the service we sold to our business development efforts bringing new customers. As we meet with customers to agree on their specific needs and outcomes, we will measure ourselves against the best service we provided them over the past three years and use that as a guide for meeting their expectations. We will engage with customers to understand how we win together.
- Operational Excellence** – To provide our railroad. In customers with the current environment, service we expect continued operating ratio improvement driven by pricing sold, we must run a fluid network. Network fluidity enables us to effectively utilize all our resources and provides the capacity to respond in excess of inflation, improving an ever-changing environment. We will continue to transform our railroad to further improve our service product, improve resource utilization, and better leveraging lower our resources. We expect to generate strong cash flow from operating activities allowing us to continue our industry leading dividend payout ratio and commit excess cash to our share repurchase programs. overall cost structure.
- Business Volumes** – Macroeconomic uncertainties remain in 2023 2024 that could have a material impact on our 2023 2024 financial and operating results. Regardless of external factors, we will focus on providing our customers consistent and reliable service; efficiently managing operations; seeking new business opportunities; and protecting our employees, customers, and communities.
- Market Conditions** – Current forecasts for 2024 industrial production indicate negative growth in are flat versus 2023. The macroeconomic uncertainty, high inflationary environment, and disruptions in supply chains will continue to impact our shipments. In addition, other factors, such as changes in domestic and foreign monetary policy (including rising interest rates), may affect economic activity and demand for rail transportation; natural gas prices, weather conditions, and demand for other energy sources may impact the coal market; crude oil prices and spreads may drive demand for petroleum products and drilling materials; available truck capacity could impact our intermodal business; and international trade agreements could promote or hinder trade.
- Lower coal demand and some lost international intermodal business are expected to negatively impact volume. Fuel Prices** – Projections for crude oil and natural gas prices may continue to fluctuate in the current economic environment. We could again see volatile fuel prices during 2023, as they are sensitive to global and U.S. domestic demand, refining capacity, geopolitical events, weather conditions, and other factors. As prices fluctuate, there will be a timing impact on earnings, as our fuel surcharge programs trail increases or decreases in fuel price prices by approximately two months. Significant changes in fuel prices could have an impact. Regardless of external factors, we will focus on consumer discretionary spending, impacting demand for various consumer products operating a safe railroad and delivering the service we transport. Alternatively, those changes could have an inverse impact on commodities such sold to our customers as coal, petroleum products, well as effective asset utilization, cost control, and domestic drilling-related shipments. Increased diesel fuel prices also impact our competitive position versus trucks. As prices rise, the demand for more fuel-efficient rail transportation also rises, but at a slower rate. seeking new business opportunities.
- Capital Plan** – In 2023, we expect our capital plan to be approximately \$3.6 billion, up 6% from 2022 as we make investments to support our growth strategy. We will continue to harden our infrastructure, replace older assets, and improve the safety and resilience of the network. In addition, the plan includes investments in growth-related projects to drive more carloads to the network, certain ramps to efficiently handle volumes from new and existing intermodal customers, continuous modernization of our locomotive fleet, and projects intended to improve operational efficiency. The capital plan may be revised if business conditions warrant or if new laws or regulations affect our ability to generate sufficient returns on these investments. (See further discussion in this Item 7 under Liquidity and Capital Resources – Capital Plan.)

RESULTS OF OPERATIONS

Operating Revenues

Millions	% Change						% Change				% Change	
	2022	2021	2020	2022 v 2021	2021 v 2020	2023	2022	2021	2023 v 2022	2022 v 2021	2023 v 2022	2022 v 2021
Freight revenues	\$ 23,159	\$ 20,244	\$ 18,251	14%	11%	\$ 22,571	\$ 23,159	\$ 20,244	(3)%	14%		
Other subsidiary revenues	884	741	743	19	-	872	884	741	(1)	19		
Accessorial revenues	779	752	473	4	59	584	779	752	(25)	4		
Other	53	67	66	(21)	2	92	53	67	74	(21)		
Total	\$ 24,875	\$ 21,804	\$ 19,533	14%	12%	\$ 24,119	\$ 24,875	\$ 21,804	(3)%	14%		

We generate freight revenues by transporting products from our three commodity groups. Freight revenues vary with volume (carloads) and average revenue per car (ARC). Changes in price, traffic mix, and fuel surcharges drive ARC. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied. We recognize freight revenues over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred.

Other subsidiary revenues (primarily logistics and commuter rail operations) are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Freight revenues increased 14% decreased 3% year-over-year to \$23.2 billion \$22.6 billion driven by higher lower fuel surcharge revenues, negative mix of traffic (decreased lumber shipments and increased short haul rock shipments), and a 1% decrease in volume, partially offset by core pricing gains, and a 2% increase in volume gains. Volume increases decreases were primarily driven by strong weaker demand for intermodal and coal shipments. These declines were partially offset by a domestic intermodal contract win, increased production and inventory replenishment in the automotive industry, increased demand for coal due to higher natural gas prices, growth in petroleum and continued LPG shipments, and strength in the industrial markets driven by rock sand, and plastics. These gains were partially offset by declines in international intermodal, parcel, grain, and petroleum products shipments.

Our fuel surcharge programs generated freight revenues of \$3.7 billion \$3.0 billion and \$1.7 \$3.7 billion in 2022 2023 and 2021 2022, respectively. Fuel surcharge revenues in 2022 increased \$2.0 2023 decreased \$0.7 billion because of due to a 64% increase 15% decrease in fuel price prices and a 2% increase in carloadings. lower volume, partially offset by the impact of fluctuating fuel prices (it can generally take up to two months for changing fuel prices to affect fuel surcharge recoveries).

In 2022, 2023, other subsidiary revenues increased decreased compared to 2021 2022 primarily driven by higher fuel surcharge and an increase in automotive parts weaker demand for intermodal shipments due to market demand and contract wins at our Loup subsidiary. Accessorial revenues increased decreased in 2022 2023 compared to 2021 2022 driven by increased decreased intermodal accessorial charges tied and container revenues due to lower volume and improvements in the global supply chain disruptions, as reflected in better equipment cycle times. Other revenues decreased increased year-over-year.

The following tables summarize the year-over-year changes in freight revenues, revenue carloads, and ARC by commodity type:

Freight Revenues	% Change						% Change				% Change	
	Millions	2022	2021	2020	2022 v 2021	2021 v 2020	2023	2022	2021	2023 v 2022	2022 v 2021	
Grain & grain products	\$ 3,598	\$ 3,181	\$ 2,829	13%	12%	\$ 3,644	\$ 3,598	\$ 3,181	1%	13%		
Fertilizer	712	697	660	2	6	757	712	697	6	2		
Food & refrigerated	1,093	998	937	10	7	1,041	1,093	998	(5)	10		
Coal & renewables	2,134	1,780	1,534	20	16	1,916	2,134	1,780	(10)	20		
Bulk	7,537	6,656	5,960	13	12	7,358	7,537	6,656	(2)	13		
Industrial chemicals & plastics	2,158	1,943	1,845	11	5	2,176	2,158	1,943	1	11		
Metals & minerals	2,196	1,811	1,580	21	15	2,194	2,196	1,811	-	21		
Forest products	1,465	1,357	1,160	8	17	1,347	1,465	1,357	(8)	8		
Energy & specialized markets	2,386	2,212	2,037	8	9	2,521	2,386	2,212	6	8		

Industrial	8,205	7,323	6,622	12	11	8,238	8,205	7,323	-	12
Automotive	2,257	1,761	1,680	28	5	2,421	2,257	1,761	7	28
Intermodal	5,160	4,504	3,989	15	13	4,554	5,160	4,504	(12)	15
Premium	7,417	6,265	5,669	18	11	6,975	7,417	6,265	(6)	18
Total	\$ 23,159	\$ 20,244	\$ 18,251	14%	11%	\$ 22,571	\$ 23,159	\$ 20,244	(3)%	14%

Revenue Carloads Thousands	% Change					% Change					2023 v 2022	2022 v 2021	
	2022		2021		2020	2022 v 2021		2021 v 2020		2023 v 2022			
	Grain & grain products	798	805	745	(1)%	8%	798	798	805	- %	(1)%		
Fertilizer	190	201	193	(5)	4	191	190	201	1	(5)			
Food & refrigerated	187	189	185	(1)	2	175	187	189	(6)	(1)			
Coal & renewables	885	819	797	8	3	867	885	819	(2)	8			
Bulk	2,060	2,014	1,920	2	5	2,031	2,060	2,014	(1)	2			
Industrial chemicals & plastics	637	606	587	5	3	645	637	606	1	5			
Metals & minerals	785	697	646	13	8	793	785	697	1	13			
Forest products	241	250	220	(4)	14	213	241	250	(12)	(4)			
Energy & specialized markets	552	559	539	(1)	4	582	552	559	5	(1)			
Industrial	2,215	2,112	1,992	5	6	2,233	2,215	2,112	1	5			
Automotive	778	701	692	11	1	820	778	701	5	11			
Intermodal [a]	3,116	3,211	3,149	(3)	2	3,028	3,116	3,211	(3)	(3)			
Premium	3,894	3,912	3,841	-	2	3,848	3,894	3,912	(1)	-			
Total	8,169	8,038	7,753	2%	4%	8,112	8,169	8,038	(1)%	2%			

Average Revenue per Car	% Change					% Change					2023 v 2022	2022 v 2021	
	2022		2021		2020	2022 v 2021		2021 v 2020		2023 v 2022			
	Grain & grain products	\$ 4,509	\$ 3,953	\$ 3,797	14%	4%	\$ 4,567	\$ 4,509	\$ 3,953	1%	14%		
Fertilizer	3,749	3,470	3,427	8	1	3,962	3,749	3,470	6	8			
Food & refrigerated	5,844	5,279	5,047	11	5	5,929	5,844	5,279	1	11			
Coal & renewables	2,410	2,173	1,926	11	13	2,211	2,410	2,173	(8)	11			
Bulk	3,658	3,305	3,104	11	6	3,623	3,658	3,305	(1)	11			
Industrial chemicals & plastics	3,388	3,207	3,144	6	2	3,374	3,388	3,207	-	6			
Metals & minerals	2,797	2,598	2,445	8	6	2,765	2,797	2,598	(1)	8			
Forest products	6,092	5,424	5,269	12	3	6,310	6,092	5,424	4	12			
Energy & specialized markets	4,320	3,956	3,780	9	5	4,335	4,320	3,956	-	9			
Industrial	3,704	3,467	3,324	7	4	3,689	3,704	3,467	-	7			
Automotive	2,902	2,511	2,427	16	3	2,955	2,902	2,511	2	16			
Intermodal [a]	1,656	1,403	1,267	18	11	1,504	1,656	1,403	(9)	18			
Premium	1,905	1,601	1,476	19	8	1,813	1,905	1,601	(5)	19			
Average	\$ 2,835	\$ 2,519	\$ 2,354	13%	7%	\$ 2,782	\$ 2,835	\$ 2,519	(2)%	13%			

[a] For intermodal shipments, each container or trailer equals one carload.

Bulk – Bulk includes shipments of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. Freight **2022** **2023** Bulk Carloads revenues from bulk shipments **increased/decreased** in **2022** **2023** compared to **2021** **2022** due to **higher/lower** fuel surcharge revenues, **core pricing gains, lower volume, and volume increases, negative mix from fewer food and refrigerated shipments, partially offset by negative mix from increased coal shipments and decreased grain shipments, core pricing gains. Volume grew 2% declined 1%** compared to **2021** **2022** driven by **increases/reduced use of coal in coal and renewable shipments due to higher electricity generation because of low natural gas prices and contract wins, partially offset by mild winter weather in the second half of the year. Volume for coal and renewables and food and refrigerated shipments were negatively impacted by declines/outages and service challenges due to repeated snow events in grain Wyoming and grain products shipments as network constraints increased shuttle cycle times for our grain traffic, flooding in California in the first quarter of 2023.**

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Industrial – Industrial includes shipments of industrial chemicals and plastics, metals and minerals, forest products, and energy and specialized markets. Freight revenues from industrial shipments increased **slightly** in **2022** **2023** versus **2021** **2022** due to **higher fuel surcharge revenues, volume increases, and core pricing gains partially and volume increases, offset by negative mix of traffic, from driven by increased short haul rock shipments and decreased petroleum, lumber shipments, and lower fuel surcharge revenues. Volume increased 5% 1% compared to 2021 2022. The growth was driven by petroleum and LPG shipments and metals and minerals due to strong demand for sand rock. Partially offsetting that growth were decreases in forest products due to the softening housing market and rock fewer shipments of brown paper as well as new business wins, expansions, and market demand for industrial chemicals and plastics. Many of our customers in the Gulf Coast experienced Winter Storm Uri disruptions for an extended period causing a significant impact on industrial chemicals and plastics and metals and minerals industries in the first quarter of 2021. The 2021 weather events coupled with strong demand in 2022 drove the year-over-year increase for the impacted commodities. Partially offsetting some of the growth was a decline in petroleum shipments, within the energy and specialized markets commodity line, primarily due to regulatory challenges in Mexico markets. non-durable goods declined.**

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Premium – Premium includes shipments of finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. Freight revenues from premium shipments **increased/decreased** driven by **higher/lower fuel surcharges and volume declines, partially offset by core pricing gains/gains. Intermodal shipments declined 3% compared to 2022 as high inventories and positive mix of traffic, inflationary pressures impacted consumer demand, partially offset by a slight decline in volume. Automotive domestic contract win. Despite the negative effects of the United Auto Workers strike, automotive shipments increased 11% 5% compared to 2021 2022 driven by an increase in finished vehicle shipments and automotive parts increased production as the automotive industry continued to recover from the shortage of semiconductors and the 2021 weather disruptions in the first quarter. Premium volume was flat compared to 2021 as the increased automotive shipments, domestic intermodal contract wins, and market strength due to tight truck capacity earlier in the year were more than offset by ongoing international supply chain disruptions and the soft market demand in the fourth quarter for domestic and parcel shipments. dealers replenished inventories.**

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Mexico Business – Each of our commodity groups includes revenues from shipments to and from Mexico. Revenues from Mexico **business shipments** were **\$2.7 billion \$2.8 billion** in **2022, 2023, up 14% 2% compared to 2021, 2022, driven by higher fuel surcharge revenues, core pricing gains, and positive mix of traffic, a 4% volume increase, partially offset by a 1% decline 2% decrease in volume, average revenue per car due to lower fuel surcharge revenues. The volume decrease/increase was driven by lower/higher intermodal and petroleum/automotive shipments, partially offset by increases/fewer beer shipments. The closure of the Eagle Pass and El Paso border crossings in automotive parts and steel shipments, the fourth quarter had a slightly negative impact on the overall results.**

Operating Expenses

Millions	% Change					% Change			% Change	
	2022	2021	2020	2022 v 2021	2021 v 2020	2023	2022	2021	2023 v 2022	2022 v 2021
Compensation and benefits	\$ 4,645	\$ 4,158	\$ 3,993	12%	4%	\$ 4,818	\$ 4,645	\$ 4,158	4%	12%
Fuel	3,439	2,049	1,314	68	56	2,891	3,439	2,049	(16)	68
Purchased services and materials	2,442	2,016	1,962	21	3	2,616	2,442	2,016	7	21
Depreciation	2,246	2,208	2,210	2	-	2,318	2,246	2,208	3	2
Equipment and other rents	898	859	875	5	(2)	947	898	859	5	5
Other	1,288	1,176	1,345	10	(13)	1,447	1,288	1,176	12	10
Total	\$ 14,958	\$ 12,466	\$ 11,699	20%	7%	\$ 15,037	\$ 14,958	\$ 12,466	1%	20%

Operating expenses increased \$2.5 billion, \$79 million, or 20% 1%, in 2022 2023 compared to 2021 2022 driven by inflation; operational challenges in the first half of the year, including additional costs related to weather; increased workforce levels, including the impact of increased sick leave benefits provided to our craft professionals; higher casualty costs; and the ratification charge for a crew staffing agreement reached in the second quarter of 2023, partially offset by lower fuel prices, operational inefficiencies, inflation, increased volume-related costs, and a one-time charge in 2022 for the labor agreements reached with our labor unions, (See Labor Agreements in Other Matters in this Item 7 of Part II). Partially offsetting these increases were lower weather-related expenses in 2022 compared to 2021, which included costs associated with Winter Storm Uri and wildfires in California, volume related costs.

2022 2023 Operating Expenses

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Compensation and Benefits – Compensation and benefits include wages, payroll taxes, health and welfare costs, pension costs, and incentive costs. In 2022, 2023, expenses increased 12% 4% compared to 2021, due 2022. The employee level increase of 3% includes a 4% increase in train, engine, and yard employees to wage inflation, increased employee levels backfill attrition, cover absences resulting from recent negotiated sick leave benefits, and add employees in areas of critical need to address congestion across operational challenges and support our service product. The wage growth, costs for training, and the system and increased carload volumes, and ratification charge for a crew staffing agreement reached in the second quarter of 2023, partially offset by the 2022 one-time charge for the labor agreements reached with our labor unions, (See Labor Agreements lower incentive compensation, and lower volume drove the increase in Other Matters in this Item 7 of Part II). The year-over-year comparison was positively impacted by the 2021 weather-related expenses, compensation and benefits for 2023 compared to 2022.

Fuel – Fuel includes locomotive fuel and gasoline for highway and non-highway vehicles and heavy equipment. Locomotive Fuel expense decreased compared to 2022 due to a decrease in locomotive diesel fuel prices, which averaged \$3.65 \$3.09 per gallon (including taxes and transportation costs) in 2022, 2023 compared to \$2.23 \$3.65 per gallon in 2021, increased expenses \$1.3 billion 2022, resulting in a \$0.5 billion decrease in expense (excluding any impact from increased decreased volume year-over-year). Gross ton-miles increased 3% driving higher fuel expense. Partially offsetting this increase was, and a 1% improvement decrease in gross ton-miles, partially offset by a 1% deterioration to a record low fuel consumption rate in 2022, computed 2023 (computed as gallons of fuel consumed divided by gross ton-miles, ton-miles).

Purchased Services and Materials – Expense for purchased services and materials includes the costs of services purchased from outside contractors and other service providers (including equipment maintenance and contract expenses incurred by our subsidiaries for external transportation services); materials used to maintain the Railroad's lines, structures, and equipment; costs of operating facilities jointly used by UPRR and other railroads; transportation and lodging for train crew employees; trucking and contracting costs for intermodal containers; leased automobile maintenance expenses; and tools and supplies. Purchased services and materials increased 21% 7% in 2022 2023 compared to 2021 2022 driven by higher locomotive maintenance expenses due to inflation, increased locomotive overhauls, and a larger active fleet in the first half of 2023 to assist in recovering the network, inflation, increased partially offset by decreased volume-related drayage costs incurred by at one of our Loup subsidiary, and volume-related costs. The year-over-year comparison was positively impacted by the 2021 weather-related expenses, subsidiaries.

Depreciation – The majority of depreciation relates to road property, including rail, ties, ballast, and other track material. Depreciation expense was up 2% 3% in 2022 2023 compared to 2021 2022 due to a higher depreciable asset base.

Equipment and Other Rents – Equipment and other rents expense primarily includes rental expense that the Railroad pays for freight cars owned by other railroads or private companies; freight car, intermodal, and locomotive leases; and office and other rent expenses, offset by equity income from certain equity method investments. Equipment and other rents expense increased 5% compared to 2021 2022 due to higher volume and network congestion. Higher lower equity income and inflation, partially offset some of these increases, by greater network fluidity and lower volume.

Other – Other expenses include state and local taxes; freight, equipment, and property damage; utilities; insurance; personal injury; environmental; employee travel; telephone and cellular; computer software; bad debt; and other general expenses. Other expenses increased 10% 12% in 2022 2023 compared to 2021 2022 driven by casualty expenses, including higher personal injury expense, environmental remediation, and damaged freight; increased business travel costs; freight, and higher state and local taxes, partially offset by higher equity income, one-time write-offs.

Non-Operating Items

Millions	2022		2021		2020		% Change		% Change		% Change	
	2022	2021	2020	2022 v 2021	2021 v 2020	2023	2022	2021	2023 v 2022	2022 v 2021	2023 v 2022	2022 v 2021
Other income, net	\$ 426	\$ 297	\$ 287		43%		3%	\$ 491	\$ 426	\$ 297	15%	43%
Interest expense	(1,271)	(1,157)	(1,141)		10		1	(1,340)	(1,271)	(1,157)	5	10
Income tax expense	(2,074)	(1,955)	(1,631)		6		20	\$ (1,854)	\$ (2,074)	\$ (1,955)	(11)%	6%

Other Income, net – Other income increased in 2022 2023 compared to 2021 2022 driven by higher a one-time \$107 million real estate income and net periodic pension benefits, transaction, partially offset by a \$36 million gain lower gains from the sale of an investment in a technology company in 2021 and higher environmental remediation expense

at non-operating sites. **real estate sales**. Real estate sales in 2022 included a \$79 million gain from a land sale to the Illinois State Toll Highway Authority and a \$35 million gain from a land sale to the Colorado Department of Transportation. **Real estate sales in 2021 included a \$50 million gain from a sale** See Note 6 to the Colorado Department of Transportation. **Financial Statements and Supplementary Data, Item 8**, for additional detail.

Interest Expense – Interest expense increased in 2022 compared to 2021 due to an increased weighted-average debt level of \$32.1 billion \$33.2 billion in 2022 from \$28.3 \$32.1 billion in 2021, partially offset by a lower 2022. The effective interest rate was 4.0% in 2022 compared to 4.1% in 2021, both periods.

Income Tax Expense – Income tax expense increased decreased in 2022 compared to 2021 due to higher lower pre-tax income partially offset by and deferred tax expense reductions. In 2023, the states of Nebraska, Iowa, Kansas, and Arkansas enacted legislation to reduce their corporate income tax rates for future years resulting in a \$114 million reduction of our deferred tax expense. 2022 income tax expense included reductions of \$95 million \$95 million in deferred tax expense from Nebraska, Iowa, Arkansas, and Idaho reducing their corporate income tax rates. 2021 income tax expense included reductions of \$32 million in deferred tax expense from Nebraska, Oklahoma, Idaho, Louisiana, and Arkansas reducing their corporate income tax rates. Our effective tax rates for 2023 and 2022 were 22.5% and 2021 were 22.9% and 23.1%, respectively.

OTHER OPERATING/PERFORMANCE AND FINANCIAL STATISTICS

We report a number of key performance measures weekly to the STB. We provide this data on our website at www.up.com/investor/aar-stb_reports/index.htm.

Operating/Performance Statistics

Management continuously monitors these key operating metrics to evaluate our operational efficiency and **asset utilization** in striving to provide a consistent, reliable **help us deliver the service product we sold** to our customers.

Railroad performance measures are included in the table below:

	% Change						% Change			
	2022	2021	2020	2022 v 2021	Change 2021 v 2020	2023	2022	2021	2023 v 2022	
Gross ton-miles (GTM ^s) (billions)	843.4	817.9	771.8	3%	6%	837.5	843.4	817.9	(1)	
Revenue ton-miles (billions)	420.8	411.3	385.0	2	7	413.3	420.8	411.3	(2)	
Freight car velocity (daily miles per car) [a]	191	203	221	(6)	(8)	204	191	203	7	
Average train speed (miles per hour) [a]	23.8	24.6	25.9	(3)	(5)	24.2	23.8	24.6	2	
Average terminal dwell time (hours) [a]	24.4	23.7	22.7	3	4	23.4	24.4	23.7	(4)	
Locomotive productivity (GTM ^s Locomotive productivity per horsepower (GTM ^s per horsepower day) day)	125	133	137	(6)	(3)	Locomotive productivity (GTM ^s per horsepower day)	129	125	133	3
Train length (feet)	9,329	9,334	8,798	-	6	9,356	9,329	9,334	-	
Intermodal car trip plan compliance (%) [b]	67	73	81	(6) pts	(8) pts	78	67	73	11 pts	
Manifest/Automotive car trip plan compliance (%) [b]	59	63	71	(4) pts	(8) pts	Manifest/Automotive car trip plan compliance (%) [b]	65	59	63	6 pts
Workforce productivity (car miles per employee)	1,036	1,038	947	-	10	Workforce productivity (car miles per employee)	1,000	1,036	1,038	(3)

Total employees (average)	30,717	29,905	30,960	3	(3)	31,490	30,717	29,905	3
Operating ratio (%)	60.1	57.2	59.9	2.9 pts	(2.7) pts	62.3	60.1	57.2	2.2 pts

[a] As reported to the STB.

[b] Methodology used to report (described below) is not comparable with the reporting to the STB under docket number EP 770.

Gross and Revenue Ton-Miles – Gross ton-miles are calculated by multiplying the weight of loaded and empty freight cars by the number of miles hauled. Revenue ton-miles are calculated by multiplying the weight of freight by the number of tariff miles. In 2022, 2023, gross ton-miles and revenue ton-miles increased 3% decreased 1% and 2%, respectively, compared to 2021, 2022, driven by a 2% increase 1% decrease in carloadings. Changes in commodity mix drove the variance in year-over-year increases decreases between gross ton-miles, revenue ton-miles, and carloads (higher increases in coal, which are generally heavier), carloads.

Freight Car Velocity – Freight car velocity measures the average daily miles per car on our network. The two key drivers of this metric are the speed of the train between terminals (average train speed) and the time a rail car spends at the terminals (average terminal dwell time). Freight car velocity, average train speed, and average terminal dwell deteriorated improved compared to 2021, 2022 as excess operating last year we experienced congestion across our system. These metrics were negatively impacted by operational challenges caused by weather in the first quarter of 2023 and train crew shortages in some locations in the first half of the year, but as network fluidity improved throughout 2023, freight car inventory levels and hiring challenges decreased network fluidity, velocity increased sequentially.

Locomotive Productivity – Locomotive productivity is gross ton-miles per average daily locomotive horsepower. Locomotive productivity decreased 6% improved 3% in 2022, 2023 compared to 2021, 2022 driven by an increase improved network fluidity in the second half of 2023. As a result of the improved fluidity, we stored locomotives in the second half of the year, reducing our active fleet size 11% since the end of the second quarter of 2023. These improvements more than offset increased average active fleet size in the first half of 2023 as resources were deployed to alleviate network congestion operational challenges and handle increased volume compared to 2021, weather disruptions.

Train Length – Train length is the average maximum train length on a route measured in feet. Our train length remained relatively flat increased slightly compared to 2021 due 2022 as initiative to lower international drive train length improvements in the second half of the year more than offset the declines in intermodal shipments, and efforts to recover the network offsetting productivity initiatives, which generally move on longer trains.

Car Trip Plan Compliance – Car trip plan compliance is the percentage of cars delivered on time in accordance with our original trip plan. Our network trip plan compliance is broken into the intermodal and manifest/automotive products. Intermodal car trip plan compliance and manifest/automotive car trip plan compliance deteriorated improved in 2022, 2023 compared to 2021 because of crew shortages, 2022 driven by improved network fluidity, as evidenced by faster freight car velocity.

Workforce Productivity – Workforce productivity is average daily car miles per employee. Workforce productivity decreased slightly declined 3% in 2022, 2023 as average daily car miles increased 3% decreased slightly and employees increased 3% compared to 2021, 2022. The 3% increase in employee levels was driven by an increase in craft professionals as we aggressively hired train, engine, and yard employees to backfill attrition, cover absences resulting from recently negotiated sick leave benefits, and add employees in areas of critical need to address volume increases operational challenges and operational inefficiencies due to crew shortages, support our service product.

Operating Ratio – Operating ratio is our operating expenses reflected as a percentage of operating revenues. Our operating ratio of 60.1% 62.3% deteriorated 2.9 2.2 points compared to 2021, 2022 driven by operational inefficiencies, inflation, excess network costs, the ratification charge for a crew staffing agreement reached in the second quarter of 2023, increased casualty costs, and other cost increases, partially offset by core pricing gains, the 2022 one-time charge for the labor agreements reached with our labor unions, (See Labor Agreements in Other Matters in this Item 7 of Part II), higher and the year-over-year lag impact from lower fuel prices, and other cost increases, partially offset by core pricing gains, mix of traffic, and lower weather-related expenses, prices.

Return on Average Common Shareholders' Equity

Millions, Except Percentages	2022	2021	2020
Net income	\$ 6,998	\$ 6,523	\$ 5,349
Average equity	\$ 13,162	\$ 15,560	\$ 17,543
Return on average common shareholders' equity	53.2 %	41.9 %	30.5 %

Millions, Except Percentages	2023	2022	2021
Net income	\$ 6,379	\$ 6,998	\$ 6,523
Average equity	\$ 13,476	\$ 13,162	\$ 15,560

Return on average common shareholders' equity	47.3 %	53.2 %	41.9 %
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Return on Invested Capital as Adjusted (ROIC)

Millions, Except Percentages	2022	2021	2020	2023	2022	2021
Net income	\$ 6,998	\$ 6,523	\$ 5,349	\$ 6,379	\$ 6,998	\$ 6,523
Interest expense	1,271	1,157	1,141	1,340	1,271	1,157
Interest on average operating lease liabilities	56	54	64	58	56	54
Taxes on interest	(304)	(280)	(282)	(315)	(304)	(280)
Net operating profit after taxes as adjusted	\$ 8,021	\$ 7,454	\$ 6,272	\$ 7,462	\$ 8,021	\$ 7,454
Average equity	\$ 13,162	\$ 15,560	\$ 17,543	\$ 13,476	\$ 13,162	\$ 15,560
Average debt	31,528	28,229	25,965	32,953	31,528	28,229
Average operating lease liabilities	1,695	1,682	1,719	1,616	1,695	1,682
Average invested capital as adjusted	\$ 46,385	\$ 45,471	\$ 45,227	\$ 48,045	\$ 46,385	\$ 45,471
Return on invested capital as adjusted	17.3%	16.4%	13.9%	15.5%	17.3%	16.4%

ROIC is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the efficiency and effectiveness of our long-term capital investments. In addition, we currently use ROIC as a performance criterion in determining certain elements of equity compensation for our executives. ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is return on average common shareholders' equity. The tables above provide a reconciliation from return on average common shareholders' equity to ROIC. At December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, the incremental borrowing rate on operating leases was 3.3% 3.6%, 3.2% 3.3%, and 3.7% 3.2%, respectively.

Debt / Net Income

Millions, Except Ratios	2023	2022	2021
Debt	\$ 32,579	\$ 33,326	\$ 29,729
Net income	\$ 6,379	\$ 6,998	\$ 6,523
Debt / net income	5.1	4.8	4.6

Adjusted Debt / Adjusted EBITDA

Millions, Except Ratios	Dec. 31,	Dec. 31,	2023	2022	2021
for the Twelve Months Ended	2022	2021	2020		
Net income	\$ 6,998	\$ 6,523	\$ 5,349	\$ 6,379	\$ 6,998
Add:					
Income tax expense	2,074	1,955	1,631	1,854	2,074
Depreciation	2,246	2,208	2,210	2,318	2,246
Interest expense	1,271	1,157	1,141	1,340	1,271
EBITDA	\$ 12,589	\$ 11,843	\$ 10,331	\$ 11,891	\$ 12,589
Adjustments:					
Other income, net	(426)	(297)	(287)	(491)	(426)
Interest on operating lease liabilities	54	56	59	58	54
Adjusted EBITDA	\$ 12,217	\$ 11,602	\$ 10,103	\$ 11,458	\$ 12,217
Debt	\$ 33,326	\$ 29,729	\$ 26,729	\$ 32,579	\$ 33,326
Operating lease liabilities	1,631	1,759	1,604	1,600	1,631
Unfunded pension and OPEB, net of tax cost of \$0, \$0, and \$195 [a]	-	-	637		
Adjusted debt	\$ 34,957	\$ 31,488	\$ 28,970	\$ 34,179	\$ 34,957
Adjusted debt / adjusted EBITDA	2.9	2.7	2.9	3.0	2.9

[a] Prior periods were recast to conform to the current year presentation, which removes the impact of pension and OPEB (other postretirement benefits) when the net amount represents a funded amount.

Adjusted debt (total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post retirement benefit) obligations) to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on present value of operating leases) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income, income ratio. The table above provides a reconciliation from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt, debt to adjusted EBITDA. At December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, the incremental borrowing rate on operating leases was 3.3% 3.6%, 3.2% 3.3%, and 3.7% 3.2%, respectively. Pension and OPEB were funded at December 31, 2023, 2022, and 2021.

LIQUIDITY AND CAPITAL RESOURCES

We are continually evaluating our financial condition and liquidity. We analyze a wide range of economic scenarios and the impact on our ability to generate cash. These analyses inform our liquidity plans and activities outlined below and indicate we have sufficient borrowing capacity to sustain an extended period of lower volumes.

At both December 31, 2022 December 31, 2023 and 2021, 2022, we had a working capital deficit due to upcoming debt maturities. It is not unusual for us to have a working capital deficit, and we believe it is not an indication of a lack of liquidity. We generate strong cash from operations and also maintain adequate resources, including our credit facility and, when necessary, access the capital markets to meet foreseeable cash requirements.

During 2022, 2023, we generated \$9.4 \$8.4 billion of cash provided by operating activities, and issued \$5.4 \$1.0 billion of long-term debt, debt, paid \$3.2 billion in dividends, and repurchased shares totaling \$0.7 billion. We have been, and we expect to continue to be, in compliance with our debt covenants. We increased the dividend once during 2022 paying out \$3.2 billion and repurchased shares totaling \$6.3 billion, including the completion of our \$2.2 billion accelerated share repurchase programs entered into on February 17, 2022.

Our principal sources of liquidity include cash and cash equivalents, our Receivables Facility, our revolving credit facility, as well as the availability of commercial paper and other sources of financing through the capital markets. On December 31, 2022 December 31, 2023, we had \$973 million \$1.1 billion of cash and cash equivalents, \$2.0 billion of committed credit available under our revolving credit facility, and up to \$700 million \$800 million undrawn on the Receivables Facility. As of December 31, 2022 December 31, 2023, none of the revolving credit facility was drawn, and we did not draw on our revolving credit facility at any time during 2022. At December 31, 2022, we had \$100 million of the Receivables Facility drawn, \$200 million of commercial paper, and a \$100 million term loan outstanding. Our access to the Receivables Facility may be reduced or restricted if our bond ratings fall to certain levels below investment grade. If our bond rating were to deteriorate, it could have an adverse impact on our liquidity. Access to commercial paper as well as other capital market financing is dependent on market conditions. Deterioration of our operating results or financial condition due to internal or external factors could negatively impact our ability to access capital markets as a source of liquidity. Access to liquidity through the capital markets is also dependent on our financial stability. We expect that we will continue to have access to liquidity through any or all the following sources or activities: (a) increasing the utilization of our Receivables Facility, (b) issuing commercial paper, (c) entering into bank loans, outside of our revolving credit facility, or (iv) issuing bonds or other debt securities to public or private investors based on our assessment of the current condition of the credit markets. The Company's \$2.0 billion revolving credit facility is intended to support the issuance of commercial paper by UPC and also serves as an additional source of liquidity to fund short-term needs. The Company currently does not intend to make any borrowings under this facility.

As described in the notes to the Consolidated Financial Statements and as referenced in the table below, we have contractual obligations that may affect our financial condition. Based on our assessment of the underlying provisions and circumstances of our contractual obligations, other than the risks that we and other similarly situated companies face with respect to the condition of the capital markets (as described in Item 1A of Part II of this report), as of the date of this filing, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur that would have a material adverse effect on our consolidated results of operations, financial condition, or liquidity. In addition, our commercial obligations, financings, and commitments are customary transactions that are like those of other comparable corporations, particularly within the transportation industry.

The following table identifies material obligations as of December 31, 2022 December 31, 2023:

Contractual Obligations	Payments Due by December 31,							Payments Due by December 31,							
								After							
	Millions	Total	2023	2024	2025	2026	2027	2028	Total	2024	2025	2026	2027	2028	2029
Debt [a]	\$ 61,664	\$ 2,837	\$ 2,562	\$ 2,642	\$ 2,081	2,323	\$ 49,219	\$ 60,516	\$ 2,610	\$ 2,591	\$ 2,617	\$ 2,348	2,294	\$ 48,056	
Purchase obligations [b]	3,241	920	818	822	275	180	226	2,985	1,150	744	600	222	158	111	

Operating leases [c]	1,803	335	318	321	248	188	393	1,768	361	375	296	237	199	300
Other post retirement benefits [d]	396	45	40	40	40	39	192	393	44	40	40	39	39	191
Finance lease obligations [e]	259	76	63	44	35	30	11	173	55	42	35	30	11	-
Total contractual obligations	\$ 67,363	\$ 4,213	\$ 3,801	\$ 3,869	\$ 2,679	\$ 2,760	\$ 50,041	\$ 65,835	\$ 4,220	\$ 3,792	\$ 3,588	\$ 2,876	\$ 2,701	\$ 48,658

[a] Excludes finance lease obligations of \$234 million as well as unamortized discount and deferred issuance costs of (\$1,775) million. Includes an interest component of \$26,797 million.

[b] Purchase obligations include locomotive maintenance contracts; purchase commitments for fuel purchases, ties, ballast, and rail; and agreements to purchase other goods and services.

[c] Includes leases for locomotives, freight cars, other equipment, and real estate. Includes an interest component of \$172 million.

[d] Includes estimated other post retirement, medical, and life insurance payments, and payments made under the unfunded pension plan for the next ten years.

[e] Represents total obligations, including interest component of \$25 million.

Cash Flows Millions	2022			2021		2020		2023		2022		2021	
	\$	9,362	\$	9,032	\$	8,540	\$	8,379	\$	9,362	\$	9,032	
Cash provided by operating activities													
Cash used in investing activities													
Cash used in financing activities													
Net change in cash, cash equivalents, and restricted cash	\$	4	\$	(835)	\$	962	\$	87	\$	4	\$	(835)	

Operating Activities

Cash provided by operating activities increased decreased in 2022 compared to 2021 due primarily to an increase in net income and \$454 million of payments related to the 2022 one-time charge for agreements reached with our labor unions and the ratification charge for a crew staffing agreement reached in the second quarter of 2023.

Cash flow conversion is defined as cash provided by operating activities less cash used in capital investments as a ratio of net income. Cash flow conversion rate is not considered a financial measure under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe cash flow conversion rate is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities. The following table reconciles cash provided by operating activities (GAAP measure) to cash flow conversion rate (non-GAAP measure):

Millions, For the Year Ended December 31,	2022	2021	2020	2023	2022	2021
Cash provided by operating activities	\$ 9,362	\$ 9,032	\$ 8,540	\$ 8,379	\$ 9,362	\$ 9,032
Cash used in capital investments	(3,620)	(2,936)	(2,927)	(3,606)	(3,620)	(2,936)
Total (a)	5,742	6,096	5,613	4,773	5,742	6,096
Net income (b)	6,998	6,523	5,349	\$ 6,379	\$ 6,998	\$ 6,523
Cash flow conversion rate (a/b)	82%	93%	105%	75%	82%	93%

Investing Activities

Cash used in investing activities in 2022 increased compared to 2021 primarily driven by increased freight car and locomotive capital investments as we modernize our locomotives to move more freight efficiently and sustainably across our network, lower proceeds from asset sales within other investing activities net.

The following tables detail cash capital investments and track statistics for the years ended December 31:

Millions	2022	2021	2020	2023	2022	2021
Ties	\$ 544	\$ 443	\$ 507	\$ 565	\$ 544	\$ 443

Rail and other track material	437	507	471	454	437	507
Ballast	216	215	225	194	216	215
Other [a]	693	760	629	691	693	760
Total road infrastructure replacements	1,890	1,925	1,832	1,904	1,890	1,925
Line expansion and other capacity projects	276	284	332	239	276	284
Commercial facilities	308	243	171	425	308	243
Total capacity and commercial facilities	584	527	503	664	584	527
Locomotives and freight cars [b]	800	322	269	728	800	322
Technology and other	346	162	323	310	346	162
Total cash capital investments	\$ 3,620	\$ 2,936	\$ 2,927			
Total cash capital investments [c]				\$ 3,606	\$ 3,620	\$ 2,936

[a] Other includes bridges and tunnels, signals, other road assets, and road work equipment.

[b] Locomotives and freight cars include early lease buyouts of \$57 million, \$70 million, and \$34 million in 2023, 2022, and \$38 million in 2022, 2021, and 2020, respectively.

[c] Weather-related damages for 2023, 2022, and 2021 are immaterial.

	2022	2021	2020
Track miles of rail replaced	542	502	468
Track miles of rail capacity expansion	44	70	83
New ties installed (thousands)	3,712	4,058	4,671
Miles of track surfaced	9,502	10,441	10,414

Capital Plan – In 2023, 2024, we expect our capital plan to be approximately \$3.6 billion, up 6% from 2022 as we 2023. We plan to continue to make investments to support our growth strategy. We will continue to strategy, harden our infrastructure, replace older assets, and improve the safety and resiliency of the network. In addition, the plan includes investments in growth-related projects to drive more carloads to the network, certain ramps to efficiently handle volumes from new and existing intermodal customers, continuous continued modernization of our locomotive fleet, and projects intended to improve operational efficiency. The capital plan may be revised if business conditions warrant or if new laws or regulations affect our ability to generate sufficient returns on these investments.

Financing Activities

Cash used in financing activities decreased in 2022 compared to 2021 driven by increased debt issuances and a decrease in share repurchases, partially offset by an increase in the repayment of less debt and higher dividend payments issued.

See Note 14 to the Financial Statements and Supplementary Data, Item 8, for a description of all our outstanding financing arrangements and significant new borrowings, and Note 18 to the Financial Statements and Supplementary Data, Item 8, for a description of our share repurchase programs.

OTHER MATTERS

Inflation – For capital-intensive companies, inflation significantly increases asset replacement costs for long-lived assets. As a result, assuming that we replace all operating assets at current price levels, depreciation charges (on an inflation-adjusted basis) would be substantially greater than historically reported amounts.

Sensitivity Analyses – The sensitivity analyses that follow illustrate the economic effect that hypothetical changes in interest and tax rates could have on our results of operations and financial condition. These hypothetical changes do not consider other factors that could impact actual results.

Interest Rates – At December 31, 2022 December 31, 2023, we had not have variable-rate debt representing approximately 1.2% of our total debt. If variable interest rates average one percentage point higher in 2023 than our December 31, 2022, variable rate, which was approximately 4.4%, our annual interest expense would increase by approximately \$4.0 million. This amount was determined by considering the impact of the hypothetical interest rate on the balances of our variable-rate debt at December 31, 2022.

Market risk for fixed-rate debt is estimated as the potential increase in fair value resulting from a hypothetical one percentage point decrease in interest rates as of December 31, 2022 December 31, 2023, and totals an increase of approximately \$3.5 \$3.6 billion to the fair value of our debt at December 31, 2022 December 31, 2023. We estimated the fair values of our fixed-rate debt by considering the impact of the hypothetical interest rates on quoted market prices and current borrowing rates.

Tax Rates – Our deferred tax assets and liabilities are measured based on current tax law. Future tax legislation, such as a change in the federal corporate tax rate, could have a material impact on our financial condition, results of operations, or liquidity. For example, a future, permanent 1% increase in our federal income tax rate would increase our deferred tax liability by approximately \$500 \$525 million. Similarly, a future, permanent 1% decrease in our federal income tax rate would decrease our deferred tax liability by approximately \$500 \$525 million.

Accounting Pronouncements – See Note 3 to the Financial Statements and Supplementary Data, Item 8.

Asserted and Unasserted Claims – See Note 17 to the Financial Statements and Supplementary Data, Item 8.

Indemnities – See Note 17 to the Financial Statements and Supplementary Data, Item 8.

Climate Change – Climate change could have an adverse impact on our operations and financial performance (see Risk Factors under Item 1A of this report), although. We utilize climate scenario analyses to better understand climate-related risks and opportunities the Company may face in the future under a range of potential scenarios. We continue to refine our approach to understand climate-related risks and are taking an iterative approach in our business planning processes as risk factors, solutions, and technology develop. However, we are currently unable to predict the likelihood, manner, severity, or severity ultimate financial impact of such impact. We released our Climate Action Plan, which outlines the steps we are taking to reduce our environmental impact. This plan aligns with our corporate strategy: Serve (improve operational efficiency and minimize fuel consumption), Grow (offer sustainable supply chain solutions), Win (decarbonize our footprint and the environment) – Together (engage our stakeholders and align interests). actual future incidents as climate scenario analysis considers a range of potential outcomes.

We continue to take steps and explore opportunities to reduce our operational impact on the environment, including increased usage of renewable fuels, investments in alternative fuel technologies, using training programs and technology to reduce fuel consumption, and changing improving our operations operational fluidity to increase fuel efficiency, (see modernizing locomotives for improved reliability and fuel consumption, using renewable fuels, and exploring and testing low- and zero-emissions propulsion technologies. These initiatives are aligned with our Safety + Service & Operational Excellence = Growth strategy. (See further discussion in "Sustainable Future" in the Operations section in Item 1 of this report.)

Labor Agreements – Pursuant to the RLA, our collective bargaining agreements are subject to modification every five years. Existing agreements remain in effect until new agreements are ratified or until the RLA procedures are exhausted. The RLA procedures include mediation, potential arbitration, cooling-off periods, and the possibility of Presidential Emergency Boards and Congressional intervention. The round of negotiations that began on January 1, 2020, related to years 2020-2024 was concluded. In June 2022, the National Mediation Board released the parties from mediation, which initiated the first 30-day cooling-off period. Prior to the end of the first cooling-off period, the Biden administration appointed Presidential Emergency Board 250 (PEB) to resolve the parties' disputes. The PEB issued a report with its recommendations on August 16, 2022, initiating the second 30-day cooling-off period. Over the second cooling-off period, tentative agreements were reached with all the labor unions, averting a potential work stoppage. Nine out of thirteen agreements were ratified. For the remaining four unions that had not previously ratified, the agreements were imposed by legislation on December 2, 2022.

CRITICAL ACCOUNTING ESTIMATES

Our Consolidated Financial Statements have been prepared in accordance with GAAP. The preparation of these financial statements requires estimation and judgment that affect the reported amounts of revenues, expenses, assets, and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The following critical accounting estimates are a subset of our significant accounting policies described in Note 2 to the Financial Statements and Supplementary Data, Item 8. These critical accounting estimates affect significant areas of our financial statements and involve judgment and estimates. If these estimates differ significantly from actual results, the impact on our Consolidated Financial Statements may be material.

Personal Injury – See Note 17 to the Financial Statements and Supplementary Data, Item 8, and "We May Be Subject to Various Claims and Lawsuits That Could Result in Significant Expenditures" in the Risk Factors, Item 1A.

Our personal injury liability is subject to uncertainty due to unasserted claims, timing and outcome of claims, and evolving trends in litigation. There were no material changes to the assumptions used in the latest actuarial analysis.

Our personal injury liability balance and claims activity was as follows:

	2022	2021	2020	2023	2022	2021
Ending liability balance at December 31 (millions)	\$ 361	\$ 325	\$ 270	\$ 383	\$ 361	\$ 325
Open claims, beginning balance	2,027	1,897	1,985	2,036	2,027	1,897
New claims	2,747	2,719	2,577	3,008	2,747	2,719
Settled or dismissed claims	(2,738)	(2,589)	(2,665)	(3,173)	(2,738)	(2,589)

Environmental Costs – See Note 17 to the Financial Statements and Supplementary Data, Item 8; “We Are Subject to Significant Environmental Laws and Regulations” in the Risk Factors, Item 1A; and Environmental Matters in the Legal Proceedings, Item 3.

Our environmental liability is subject to several factors such as type of remediation, nature and volume of contaminant, and number and financial viability of other potentially responsible parties, as well as uncertainty due to unknown alleged contamination, evolving trends in remediation techniques and final remedies, and changes in laws and regulations.

Our environmental liability balance and site activity was as follows:

	2022	2021	2020	2023	2022	2021
Ending liability balance at December 31 (millions)	\$ 253	\$ 243	\$ 233	\$ 245	\$ 253	\$ 243
Open sites, beginning balance	376	373	360	353	376	373
New sites	69	105	96	74	69	105
Closed sites	(92)	(102)	(83)	(94)	(92)	(102)
Open sites, ending balance at December 31	353	376	373	333	353	376

Property and Depreciation – See Note 11 to the Financial Statements and Supplementary Data, Item 8.

Assets purchased or constructed throughout the year are capitalized if they meet applicable minimum units of property.

Estimated service lives of depreciable railroad property may vary over time due to changes in physical use, technology, asset strategies, and other factors that will have an impact on the retirement profiles of our assets. We are not aware of any specific factors that are reasonably likely to significantly change the estimated service lives of our assets. Actual use and retirement of our assets may vary from our current estimates, which would impact the amount of depreciation expense recognized in future periods.

Changes in estimated useful lives of our assets due to the results of our depreciation studies could significantly impact future periods' depreciation expense and have a material impact on our Consolidated Financial Statements. If the estimated useful lives of all depreciable assets were increased by one year, annual depreciation expense would decrease by approximately \$69 \$71 million. If the estimated useful lives of all depreciable assets were decreased by one year, annual depreciation expense would increase by approximately \$73 \$76 million. We are projecting an increase in our depreciation expense of approximately 3% to 4% in 2023 2024 versus 2022, 2023. This is driven by an increase in our projected depreciable asset base.

During the last three fiscal years, no gains or losses were recognized due to the retirement of depreciable railroad properties.

Pension Plans – See Note 5 to the Financial Statements and Supplementary Data, Item 8.

The critical assumptions used to measure pension obligations and expenses are the discount rates and expected rate of return on pension assets.

We evaluate our critical assumptions at least annually, and selected assumptions are based on the following factors:

- We measure the service cost and interest cost components of our net periodic pension benefit/cost by using individual spot rates matched with separate cash flows for each future year. Discount rates are based on a Mercer yield curve of high-quality corporate bonds (rated AA by a recognized rating agency).
- Expected return on plan assets is based on our asset allocation mix and our historical return, taking into consideration current and expected market conditions.

The following tables present the key assumptions used to measure net periodic pension benefit/cost for 2023 2024 and the estimated impact on 2023 2024 net periodic pension benefit/cost relative to a change in those assumptions:

Assumptions	
Discount rate for benefit obligations	5.21 5.00 %
Discount rate for interest on benefit obligations	5.14 4.90 %
Discount rate for service cost	5.18 5.05 %
Discount rate for interest on service cost	5.21 5.02 %

Expected return on plan assets		5.25 %
Sensitivities		<i>Increase in Expense</i>
<i>Millions</i>		<i>Increase in Expense</i>
0.25% decrease in discount rates	\$ 15	\$ 1
0.25% decrease in expected return on plan assets	\$ 12	\$ 12

The following table presents the net periodic pension benefit/cost for the years ended December 31:

<i>Millions</i>	<i>Est.</i>			
	2023	2022	2021	2020
Net periodic pension (benefit)/cost	\$ (6)	\$ 9	\$ 85	\$ 50

<i>Millions</i>	<i>Est.</i>			
	2024	2023	2022	2021
Net periodic pension (benefit)/cost	\$ (7)	\$ -	\$ 9	\$ 85

CAUTIONARY INFORMATION

Certain statements in this report, and statements in other reports or information filed or to be filed with the SEC (as well as information included in oral statements or other written statements made or to be made by us), are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements and information include, without limitation, statements in the Chairman's CEO's letter preceding Part I; statements regarding planned capital expenditures under the caption "2023-2024 Capital Plan" in Item 2 of Part I; and statements and information set forth under the captions "2023-2024 Outlook", "Liquidity and Capital Resources" in Item 7 of Part II regarding our capital plan, share repurchase programs, contractual obligations, "Pension Benefits", and "Other Matters" in this Item 7 of Part II. Forward-looking statements and information also include any other statements or information in this report (including information incorporated herein by reference) regarding: potential impacts of public health crises, including pandemics, epidemics, and the outbreak of pandemic or other contagious disease, such as COVID; the Russian Ukraine conflict Russia-Ukraine and Israel-Hamas wars and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including our customers, employees, and supply chains), including as a result of fluctuations in volume and carloadings; closing of customer manufacturing, distribution or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications (including those discussed in response to increased traffic); expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to our business, financial, and operational results, future economic performance, and general economic conditions; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyber-attacks or other matters will not have a material adverse effect on our consolidated results of operations, financial condition, or liquidity and any other similar expressions concerning matters that are not historical facts. Forward-looking statements may be identified by their use of forward-looking terminology, such as "believes," "expects," "may," "should," "would," "will," "intends," "plans," "estimates," "anticipates," "projects" and similar words, phrases, or expressions.

Forward-looking statements should not be read as a guarantee of future performance, results or outcomes, and will not necessarily be accurate indications of the times that, or by which, such performance, results or outcomes will be achieved. Forward-looking statements and information are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements and information. Forward-looking statements and information reflect the good faith consideration by management of currently available information, and may be based on underlying assumptions believed to be reasonable under the circumstances. However, such information and assumptions (and, therefore, such forward-looking statements and information) are or may be subject to variables or unknown or unforeseeable events or circumstances that management has little or no influence or control, and many of these risks and uncertainties are currently amplified by and may continue to be amplified by, or in the future may be amplified by, among other things, macroeconomic conditions. The Risk Factors in Item 1A of this report could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in any forward-looking statements or information. To the extent circumstances require or we deem it otherwise necessary, we will update or amend these risk factors in a Form 10-Q, Form 8-K, or subsequent Form 10-K. All forward-looking statements are qualified by, and should be read in conjunction with, these Risk Factors.

Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Information concerning market risk sensitive instruments is set forth under Management's Discussion and Analysis of Financial Condition and Results of Operations  Other Matters, Item 7.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Union Pacific Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Union Pacific Corporation and Subsidiary Companies (the "Corporation") as of [December 31, 2022](#) [December 31, 2023](#) and [2021](#) [2022](#), the related consolidated statements of income, comprehensive income, changes in common shareholders' equity, and cash flows for each of the three years in the period ended [December 31, 2022](#) [December 31, 2023](#), and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of [December 31, 2022](#) [December 31, 2023](#) and [2021](#) [2022](#), and the results of its operations and its cash flows for each of the three years in the period ended [December 31, 2022](#) [December 31, 2023](#), in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation's internal control over financial reporting as of [December 31, 2022](#) [December 31, 2023](#), based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated [February 10, 2023](#) [February 9, 2024](#), expressed an unqualified opinion on the Corporation's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Capitalization of Properties — Refer to Notes 2 and 11 to the financial statements

Critical Audit Matter Description

The Corporation's operations are highly capital intensive and their large network of assets turns over on a continuous basis. Each year, the Corporation develops a capital program for both the replacement of assets and for the acquisition or construction of new assets. In determining whether costs should be capitalized, the Corporation exercises significant judgment in determining whether expenditures meet the applicable minimum units of property criteria and extend the useful life, improve the safety of operations, or improve the operating efficiency of existing assets. The Corporation capitalizes all costs of capital projects necessary to make assets ready for their intended use and because a portion of the Corporation's assets are self-constructed, management also exercises significant judgment in determining the amount of material, labor, work equipment, and indirect costs that qualify for capitalization. Capitalized costs to Properties, net during 2023 were \$56,038 million as of December 31, 2022 and, during 2022, the Corporation's capital investments were \$3.6 billion \$3.8 billion.

We identified the capitalization of property during 2023 as a critical audit matter because of the significant judgment exercised by management in determining whether costs meet the criteria for capitalization. This, in turn, required a high degree of auditor judgment when performing audit procedures to evaluate whether the criteria to capitalize costs were met and to evaluate sufficiency of audit evidence to support management's conclusions.

How the Critical Audit Matter Was Addressed in the Audit

Our procedures related to capitalization of property included the following, among others:

- We tested the effectiveness of controls over the Corporation's determination of whether costs related to the Corporation's capital investments should be capitalized or expensed.
- We evaluated the Corporation's capitalization policy in accordance with accounting principles generally accepted in the United States of America.
- For a selection of capital projects, we performed the following:
 - Obtained the Corporation's evaluation of each project and determined whether the amount of costs to be capitalized met the criteria for capitalization as outlined within the Corporation's policy by unit of property.
 - Obtained supporting documentation that the project met the applicable minimum units of property criteria and was approved, and evaluated whether the project extended the useful life of an existing asset, improved the safety of operations, or improved the operating efficiency of existing assets.
- For a selection of capitalized costs during the year, we performed the following:

- o Evaluated whether the individual cost selected met the criteria for capitalization.
- o Evaluated whether the selection was accurately recorded at the appropriate amount based on the evidence obtained.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

February 10, 2023 9, 2024

We have served as the Corporation's auditor since 1967.

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CONSOLIDATED STATEMENTS OF INCOME

Union Pacific Corporation and Subsidiary Companies

<i>Millions, Except Per Share Amounts, for the Years Ended December 31,</i>	2022	2021	2020	2023	2022	2021
Operating revenues:						
Freight revenues	\$ 23,159	\$ 20,244	\$ 18,251	\$ 22,571	\$ 23,159	\$ 20,244
Other revenues	1,716	1,560	1,282	1,548	1,716	1,560
Total operating revenues	24,875	21,804	19,533	24,119	24,875	21,804
Operating expenses:						
Compensation and benefits	4,645	4,158	3,993	4,818	4,645	4,158
Fuel	3,439	2,049	1,314	2,891	3,439	2,049
Purchased services and materials	2,442	2,016	1,962	2,616	2,442	2,016
Depreciation	2,246	2,208	2,210	2,318	2,246	2,208
Equipment and other rents	898	859	875	947	898	859
Other	1,288	1,176	1,345	1,447	1,288	1,176
Total operating expenses	14,958	12,466	11,699	15,037	14,958	12,466
Operating income	9,917	9,338	7,834	9,082	9,917	9,338
Other income, net (Note 6)	426	297	287	491	426	297
Interest expense	(1,271)	(1,157)	(1,141)	(1,340)	(1,271)	(1,157)
Income before income taxes	9,072	8,478	6,980	8,233	9,072	8,478
Income tax expense (Note 7)	(2,074)	(1,955)	(1,631)	(1,854)	(2,074)	(1,955)
Net income	\$ 6,998	\$ 6,523	\$ 5,349	\$ 6,379	\$ 6,998	\$ 6,523
Share and Per Share (Note 8):						
Earnings per share - basic	\$ 11.24	\$ 9.98	\$ 7.90	\$ 10.47	\$ 11.24	\$ 9.98
Earnings per share - diluted	\$ 11.21	\$ 9.95	\$ 7.88	\$ 10.45	\$ 11.21	\$ 9.95
Weighted average number of shares - basic	622.7	653.8	677.3	609.2	622.7	653.8
Weighted average number of shares - diluted	624.0	655.4	679.1	610.2	624.0	655.4

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Union Pacific Corporation and Subsidiary Companies

<i>Millions, for the Years Ended December 31,</i>	2022	2021	2020	2023	2022	2021
Net income	\$ 6,998	\$ 6,523	\$ 5,349	\$ 6,379	\$ 6,998	\$ 6,523
Other comprehensive income/(loss):						
Defined benefit plans	280	723	(231)	(106)	280	723
Foreign currency translation	52	(44)	(6)	58	52	(44)
Unrealized gain on derivative instruments				16	-	-
Total other comprehensive income/(loss) [a]	332	679	(237)	(32)	332	679
Comprehensive income	\$ 7,330	\$ 7,202	\$ 5,112	\$ 6,347	\$ 7,330	\$ 7,202

[a] Net of deferred taxes of \$31 million, (\$92) million, and (\$237) million during 2023, 2022, and \$75 million during 2022, 2021, and 2020, respectively.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

Millions, Except Share and Per Share Amounts as of December 31,	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,055	\$ 973
Short-term investments (Note 13)	16	46
Accounts receivable, net (Note 10)	2,073	1,891
Materials and supplies	743	741
Other current assets	261	301
Total current assets	4,148	3,952
Investments	2,605	2,375
Properties, net (Note 11)	57,398	56,038
Operating lease assets (Note 16)	1,643	1,672
Other assets	1,338	1,412
Total assets	\$ 67,132	\$ 65,449
Liabilities and Common Shareholders' Equity		
Current liabilities:		
Accounts payable and other current liabilities (Note 12)	\$ 3,683	\$ 3,842
Debt due within one year (Note 14)	1,423	1,678
Total current liabilities	5,106	5,520
Debt due after one year (Note 14)	31,156	31,648
Operating lease liabilities (Note 16)	1,245	1,300
Deferred income taxes (Note 7)	13,123	13,033
Other long-term liabilities	1,714	1,785
Commitments and contingencies (Note 17)		
Total liabilities	52,344	53,286
Common shareholders' equity:		
Common shares, \$2.50 par value, 1,400,000,000 authorized;		
1,112,854,806 and 1,112,623,886 issued; 609,703,814 and 612,393,321		
outstanding, respectively	2,782	2,782
Paid-in-surplus	5,193	5,080
Retained earnings	62,093	58,887
Treasury stock	(54,666)	(54,004)
Accumulated other comprehensive loss (Note 9)	(614)	(582)
Total common shareholders' equity	14,788	12,163
Total liabilities and common shareholders' equity	\$ 67,132	\$ 65,449

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

Millions, Except Share and Per Share Amounts as of December 31,	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 973	\$ 960
Short-term investments (Note 13)	46	46
Accounts receivable, net (Note 10)	1,891	1,722
Materials and supplies	741	621
Other current assets	301	202
Total current assets	3,952	3,551
Investments		
Properties, net (Note 11)	56,038	54,871
Operating lease assets (Note 16)	1,672	1,787
Other assets	1,412	1,075
Total assets	\$ 65,449	\$ 63,525
Liabilities and Common Shareholders' Equity		
Current liabilities:		
Accounts payable and other current liabilities (Note 12)	\$ 3,842	\$ 3,578
Debt due within one year (Note 14)	1,678	2,166
Total current liabilities	5,520	5,744
Debt due after one year (Note 14)	31,648	27,563
Operating lease liabilities (Note 16)	1,300	1,429
Deferred income taxes (Note 7)	13,033	12,675
Other long-term liabilities	1,785	1,953
Commitments and contingencies (Note 17)		
Total liabilities	53,286	49,364
Common shareholders' equity:		
Common shares, \$2.50 par value, 1,400,000,000 authorized; 1,112,623,886 and 1,112,440,400 issued; 612,393,321 and 638,841,656 outstanding, respectively	2,782	2,781
Paid-in-surplus	5,080	4,979
Retained earnings	58,887	55,049
Treasury stock	(54,004)	(47,734)
Accumulated other comprehensive loss (Note 9)	(582)	(914)
Total common shareholders' equity	12,163	14,161
Total liabilities and common shareholders' equity	\$ 65,449	\$ 63,525

Millions, for the Years Ended December 31,	2023	2022	2021
Operating Activities			
Net income	\$ 6,379	\$ 6,998	\$ 6,523
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	2,318	2,246	2,208
Deferred and other income taxes	117	262	154
Other operating activities, net	(132)	(152)	(56)
Changes in current assets and liabilities:			
Accounts receivable, net	(177)	(169)	(217)
Materials and supplies	(2)	(120)	17

Other current assets	(38)	5	31
Accounts payable and other current liabilities	(215)	565	184
Income and other taxes	129	(273)	188
Cash provided by operating activities	8,379	9,362	9,032
Investing Activities			
Capital investments	(3,606)	(3,620)	(2,936)
Other investing activities, net	(61)	149	227
Cash used in investing activities	(3,667)	(3,471)	(2,709)
Financing Activities			
Dividends paid	(3,173)	(3,159)	(2,800)
Debt repaid	(2,190)	(2,291)	(1,299)
Debt issued (Note 14)	1,599	6,080	4,201
Share repurchase programs (Note 18)	(705)	(6,282)	(7,291)
Other financing activities, net	(156)	(235)	31
Cash used in financing activities	(4,625)	(5,887)	(7,158)
Net change in cash, cash equivalents, and restricted cash	87	4	(835)
Cash, cash equivalents, and restricted cash at beginning of year	987	983	1,818
Cash, cash equivalents, and restricted cash at end of year	\$ 1,074	\$ 987	\$ 983
Supplemental Cash Flow Information			
Non-cash investing and financing activities:			
Capital investments accrued but not yet paid	\$ 137	\$ 152	\$ 263
Term loan renewals	-	-	100
Common shares repurchased but not yet paid	5	-	-
Cash paid during the year for:			
Income taxes, net of refunds	\$ (1,486)	\$ (2,060)	\$ (1,658)
Interest, net of amounts capitalized	(1,268)	(1,156)	(1,087)

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

Millions, for the Years Ended December 31,	2022	2021	2020
Operating Activities			
Net income	\$ 6,998	\$ 6,523	\$ 5,349
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	2,246	2,208	2,210
Deferred and other income taxes	262	154	340
Gain on non-operating asset dispositions	(176)	(98)	(115)
Other operating activities, net	24	42	490
Changes in current assets and liabilities:			
Accounts receivable, net	(169)	(217)	90
Materials and supplies	(120)	17	113
Other current assets	5	31	(34)
Accounts payable and other current liabilities	565	184	(73)
Income and other taxes	(273)	188	170

Cash provided by operating activities	9,362	9,032	8,540
Investing Activities			
Capital investments	(3,620)	(2,936)	(2,927)
Proceeds from asset sales	194	178	149
Maturities of short-term investments (Note 13)	46	94	141
Purchases of short-term investments (Note 13)	(46)	(70)	(136)
Other investing activities, net	(45)	25	97
Cash used in investing activities	(3,471)	(2,709)	(2,676)
Financing Activities			
Share repurchase programs (Note 18)	(6,282)	(7,291)	(3,705)
Debt issued (Note 14)	6,080	4,201	4,004
Dividends paid	(3,159)	(2,800)	(2,626)
Debt repaid	(2,291)	(1,299)	(2,053)
Net issued/(paid) commercial paper (Note 14)	(205)	325	(127)
Debt exchange (Note 14)	-	(270)	(328)
Other financing activities, net	(30)	(24)	(67)
Cash used in financing activities	(5,887)	(7,158)	(4,902)
Net change in cash, cash equivalents, and restricted cash	4	(835)	962
Cash, cash equivalents, and restricted cash at beginning of year	983	1,818	856
Cash, cash equivalents, and restricted cash at end of year	\$ 987	\$ 983	\$ 1,818
Supplemental Cash Flow Information			
Non-cash investing and financing activities:			
Capital investments accrued but not yet paid	\$ 152	\$ 263	\$ 166
Term loan renewals (Note 14)	-	100	250
Cash paid during the year for:			
Income taxes, net of refunds	\$ (2,060)	\$ (1,658)	\$ (1,214)
Interest, net of amounts capitalized	(1,156)	(1,087)	(1,050)

The accompanying notes are an integral part of these Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN COMMON SHAREHOLDERS' EQUITY

Union Pacific Corporation and Subsidiary Companies

Millions	Common Shares	Treasury Shares	Common Shares	Paid-in-Surplus	Retained Earnings	Treasury Stock	AOCL [a]	Total	Common Shares	Treasury Shares	Common Shares	Paid-in-Surplus	Retained Earnings	Treasury Stock	AOCL [a]
Balance at January 1, 2020	1,112.0	(419.9)	\$ 2,780	\$ 4,523	\$ 48,605	\$ (36,424)	\$ (1,356)	\$ 18,128							
Net income			-	-	5,349	-	-	5,349							
Other comprehensive income/(loss)			-	-	-	-	(237)	(237)							
Conversion, stock option exercises, forfeitures, ESPP, and other	0.2	1.1	1	31	-	19	-	51							

Share repurchase programs (Note 18)	-	(22.1)	-	310	-	(4,015)	-	(3,705)						
Cash dividends declared (\$3.88 per share)	-	-	-	-	(2,628)	-	-	(2,628)						
Balance at December 31, 2020	1,112.2	(440.9)	\$ 2,781	\$ 4,864	\$ 51,326	\$ (40,420)	\$ (1,593)	\$ 16,958						
Balance at January 1, 2021									1,112.2	(440.9)	\$ 2,781	\$ 4,864	\$ 51,326	\$ (40,420)
Net income			-	-	6,523	-	-	6,523			-	-	6,523	-
Other comprehensive income/(loss)			-	-	-	-	-	679	679		-	-	-	679
Conversion, stock option exercises, forfeitures, ESPP, and other	0.2	0.6	-	91	-	1	-	92	0.2	0.6	-	91	-	1
Share repurchase programs (Note 18)	-	(33.3)	-	24	-	(7,315)	-	(7,291)	-	(33.3)	-	24	-	(7,315)
Cash dividends declared (\$4.29 per share)	-	-	-	-	(2,800)	-	-	(2,800)	-	-	-	-	(2,800)	-
Balance at December 31, 2021	1,112.4	(473.6)	\$ 2,781	\$ 4,979	\$ 55,049	\$ (47,734)	\$ (914)	\$ 14,161	1,112.4	(473.6)	\$ 2,781	\$ 4,979	\$ 55,049	\$ (47,734)
Net income			-	-	6,998	-	-	6,998			-	-	6,998	-
Other comprehensive income/(loss)			-	-	-	-	-	332	332		-	-	-	332
Conversion, stock option exercises, forfeitures, ESPP, and other	0.2	0.5	1	113	-	-	-	114	0.2	0.5	1	113	-	-
Share repurchase programs (Note 18)	-	(27.1)	-	(12)	-	(6,270)	-	(6,282)	-	(27.1)	-	(12)	-	(6,270)

Cash dividends declared (\$5.08 per share)	-	-	(3,160)	-	-	(3,160)	-	-	(3,160)	-	-
Balance at December 31, 2022	1,112.6	(500.2)	\$ 2,782	\$ 5,080	\$ 58,887	\$ (54,004)	\$ (582)	\$ 12,163	1,112.6	(500.2)	\$ 2,782
Net income											6,379
Other comprehensive income/(loss)											(32)
Conversion, stock option exercises, forfeitures, ESPP, and other							0.3	0.5	-	113	-
Share repurchase programs (Note 18)							-	(3.5)	-	-	(712)
Cash dividends declared (\$5.20 per share)							-	-	-	-	(3,173)
Balance at December 31, 2023	1,112.9	(503.2)	\$ 2,782	\$ 5,193	\$ 62,093	\$ (54,666)	\$ (614)	\$ 1			

[a] AOCI = Accumulated Other Comprehensive Income/Loss (Note 9)

The accompanying notes are an integral part of these Consolidated Financial Statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Union Pacific Corporation and Subsidiary Companies

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "Corporation", "Company", "UPC", "we", "us", and "our" mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which will be separately referred to herein as "UPRR" or the "Railroad".

1. Nature of Operations

Operations and Segmentation – We are a Class I railroad operating in the U.S. Our network includes 32,534 32,693 route miles, connecting Pacific Coast and Gulf Coast ports with the Midwest and Eastern U.S. gateways and providing several corridors to key Mexican and Canadian gateways. We own 26,121 26,110 miles and operate on the remainder pursuant to trackage rights or leases. We serve the western two-thirds of the country and maintain coordinated schedules with other rail carriers for the handling of freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada, and Mexico. Export and import traffic is moved through Gulf Coast, Pacific Coast, and Pacific East Coast ports and across the Mexican and Canadian borders.

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network. Our operating revenues are primarily derived from contracts with customers for the transportation of freight from origin to destination. The following table represents a disaggregation of our freight and other revenues:

Millions	2022	2021	2020	2023	2022	2021
Bulk	\$ 7,537	\$ 6,656	\$ 5,960	\$ 7,358	\$ 7,537	\$ 6,656
Industrial	8,205	7,323	6,622	8,238	8,205	7,323
Premium	7,417	6,265	5,669	6,975	7,417	6,265
Total freight revenues	\$ 23,159	\$ 20,244	\$ 18,251	\$ 22,571	\$ 23,159	\$ 20,244
Other subsidiary revenues	884	741	743	872	884	741
Accessorial revenues	779	752	473	584	779	752
Other	53	67	66	92	53	67
Total operating revenues	\$ 24,875	\$ 21,804	\$ 19,533	\$ 24,119	\$ 24,875	\$ 21,804

Although our revenues are principally derived from customers domiciled in the U.S., the ultimate points of origination or destination for some products we transport are outside the U.S. Each of our commodity groups includes revenues from shipments to and from Mexico. Included in the above table are freight revenues from our Mexico business which amounted to \$2.8 billion in 2023, \$2.7 billion in 2022, and \$2.4 billion in 2021, and \$2.1 billion in 2020.

Basis of Presentation – The Consolidated Financial Statements are presented in accordance with accounting principles generally accepted in the U.S. (GAAP) as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Certain prior period amounts have been reclassified to conform to the current period financial statement presentation.

2. Significant Accounting Policies

Principles of Consolidation – The Consolidated Financial Statements include the accounts of Union Pacific Corporation and all of its subsidiaries. Investments in affiliated companies (20% to 50% owned) are accounted for using the equity method of accounting. All intercompany transactions are eliminated. We currently have no less than majority-owned investments that require consolidation under variable interest entity requirements.

Cash, Cash Equivalents, and Restricted Cash – Cash equivalents consist of investments with original maturities of three months or less. Amounts included in restricted cash represent those required to be set aside by contractual agreement.

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The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown on the Consolidated Statements of Cash Flows:

Millions	2022	2021	2020	2023	2022	2021
Cash and cash equivalents	\$ 973	\$ 960	\$ 1,799	\$ 1,055	\$ 973	\$ 960
Restricted cash equivalents in other current assets	10	19	7	10	10	19
Restricted cash equivalents in other assets	4	4	12	9	4	4
				Total cash, cash equivalents, and restricted cash equivalents		
Total cash, cash equivalents, and restricted cash equivalents	\$ 987	\$ 983	\$ 1,818	\$ 1,074	\$ 987	\$ 983

Accounts Receivable – Accounts receivable includes receivables reduced by an allowance for doubtful accounts. The allowance is based upon historical losses, credit worthiness of customers, and current economic conditions. Receivables not expected to be collected in one year and the associated allowances are classified as other assets in our Consolidated Statements of Financial Position.

Investments – Investments represent our investments in affiliated companies (20% to 50% owned) that are accounted for under the equity method of accounting, and investments in companies (less than 20% owned) accounted for at fair value when there is a readily determined fair value or at cost minus impairment when there are not readily determinable fair values. Our portion of income/loss on equity method investments that are integral to our operations are recorded in operating expenses. Realized and unrealized gains and losses on investments that are not integral to our operations are recorded in other income.

Materials and Supplies – Materials and supplies are carried at the lower of average cost or net realizable value.

Property and Depreciation – Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated service lives, which are measured in years, except for rail in high-density traffic corridors (i.e., all rail lines except for those lines subject to abandonment, yard tracks, and switching tracks), where lives are measured in millions of gross tons per mile of track. We use the group method of depreciation where all items with similar characteristics, use, and expected lives are grouped together in asset classes and are depreciated using composite depreciation rates. The group method of depreciation treats each asset class as a pool of resources, not as singular items. We determine the estimated service lives of depreciable railroad assets by means of depreciation studies. Under the group method of depreciation, no gain or loss is recognized when depreciable property is retired or replaced in the ordinary course of business.

Impairment of Long-lived Assets – We review long-lived assets, including identifiable intangibles, for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the long-lived assets, the carrying value is reduced to the estimated fair value.

Revenue Recognition – Freight revenues are derived from contracts with customers. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Our contracts include private agreements, private rate/letter quotes, public circulars/tariffs, and interline/foreign agreements. The performance obligation in our contracts is typically delivering a specific commodity from a place of origin to a place of destination and our commitment begins with the tendering and acceptance of a freight bill of lading and is satisfied upon delivery at destination. We consider each freight shipment to be a distinct performance obligation.

We recognize freight revenues over time as freight moves from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Outstanding performance obligations related to freight moves in transit totaled **\$149 million at December 31, 2023**, and **\$194 million at December 31, 2022**, and **\$169 million at December 31, 2021**, and are expected to be recognized in the following quarter as we satisfy our remaining performance obligations and deliver freight to destination. The transaction price is generally specified in a contract and may be dependent on the commodity, origin/destination, and route. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied.

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Under typical payment terms, our customers pay us after each performance obligation is satisfied and there are no material contract assets or liabilities associated with our freight revenues. Outstanding freight receivables are presented in our Consolidated Statements of Financial Position as accounts receivable, net.

Freight revenues related to interline transportation services that involve other railroads are reported on a net basis. The portion of the gross amount billed to customers that is remitted by the Company to another party is not reflected as freight revenues.

Other revenues consist primarily of revenues earned by our other subsidiaries (primarily logistics and commuter rail operations) and accessorial revenues. Other subsidiary revenues are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Translation of Foreign Currency – Our portion of the assets and liabilities related to foreign investments are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Revenues and expenses are translated at the average rates of exchange prevailing during the year. Unrealized gains or losses are reflected within common shareholders' equity as accumulated other comprehensive income or loss.

Fair Value Measurements – We use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. These levels include:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

We have applied fair value measurements to our short-term investments, certain equity investments, pension plan assets, and short- and long-term debt.

Stock-Based Compensation – We issue treasury shares to cover stock option exercises, stock unit vestings, and ESPP shares, while new shares are issued when retention shares are granted.

We measure and recognize compensation expense for all stock-based awards made to employees, including stock options and ESPP awards. Compensation expense is based on the fair value of the awards as measured at the grant date and is expensed ratably over the service period of the awards (generally the vesting period). The fair value of retention awards is the closing stock price on the date of grant, the fair value of stock options is determined by using the Black-Scholes option pricing model, and the fair value of ESPP awards is based on the Company contribution match.

Earnings Per Share – Basic earnings per share are calculated on the weighted-average number of common shares outstanding during each period. Diluted earnings per share include shares issuable upon exercise of outstanding stock options and stock-based awards where the conversion of such instruments would be dilutive.

Income Taxes – We account for income taxes by recording taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected future tax consequences of events that are reported in different periods for financial reporting and income tax purposes. The majority of our deferred tax assets relate to expenses that already have been recorded for financial reporting purposes but not deducted for tax purposes. The majority of our deferred tax liabilities relate to differences between the tax bases and financial reporting amounts of our land and depreciable property, due to accelerated tax depreciation (including bonus depreciation), revaluation of assets in purchase accounting transactions, and differences in capitalization methods. These expected future tax consequences are measured based on current tax law; the effects of future tax legislation are not anticipated.

When appropriate, we record a valuation allowance against deferred tax assets to reflect that these tax assets may not be realized. In determining whether a valuation allowance is appropriate, we consider whether it is more likely than not that all or some portion of our deferred tax assets will not be realized, based on management's judgments using available evidence for purposes of estimating whether future taxable income will be sufficient to realize a deferred tax asset.

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We recognize tax benefits that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards.

Leases – We determine if an arrangement is or contains a lease at inception. Operating lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. When an implicit rate is not available, we use a collateralized incremental borrowing rate for operating leases based on the information available at commencement date, including lease term, in determining the present value of future payments. The operating lease asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating leases are included in operating lease assets, accounts payable and other current liabilities, and operating lease liabilities on our Consolidated Statements of Financial Position. Finance leases are included in properties, net, debt due within one year, and debt due after one year on our Consolidated Statements of Financial Position. Operating lease expense is recognized on a straight-line basis over the lease term and primarily reported in equipment and other rents and financing lease expense is recorded as depreciation and interest expense in our Consolidated Statements of Income.

We have lease agreements with lease and non-lease components, and we have elected to not separate lease and non-lease components for all classes of underlying assets. Leases with an initial term of 12 months or less are not recorded on our Consolidated Statements of Financial Position. Leases with initial terms in excess of 12 months are recorded as operating or financing leases in our Consolidated Statements of Financial Position.

Pension Benefits – In order to measure the expense associated with pension benefits, we must make various assumptions including discount rates used to value certain liabilities, expected return on plan assets used to fund these expenses, compensation increases, employee turnover rates, and anticipated mortality rates. The assumptions used by us are based on our historical experience as well as current facts and circumstances. We use an actuarial analysis to measure the expense and liability associated with these benefits.

Personal Injury – The cost of injuries to employees and others on our property is charged to expense based on estimates of the ultimate cost and number of incidents each year. We use an actuarial analysis to measure the expense and liability, including unasserted claims. Our personal injury liability is not discounted to present value due to the uncertainty surrounding the timing of future payments. Legal fees and incidental costs are expensed as incurred.

Environmental – When environmental issues have been identified with respect to property currently or formerly owned, leased, or otherwise used in the conduct of our business, we perform, with the assistance of our consultants, environmental assessments on such property. We expense the cost of the assessments as incurred. We accrue the cost of remediation where our obligation is probable and such costs can be reasonably estimated. We do not discount our environmental liabilities when the timing of the anticipated cash payments is not fixed or readily determinable. Legal fees and incidental costs are expensed as incurred.

Use of Estimates – The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported assets and liabilities, the disclosure of certain contingent assets and liabilities as of the date of the Consolidated Financial Statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual future results may differ from such estimates.

3. Accounting Pronouncements

In November 2021, December 2023, the FASB issued Accounting Standards Update No. (ASU) 2021-10-09, *Government Assistance Income Taxes (Topic 832-740): Improvements to Income Tax Disclosures by Business Entities about Government Assistance*, which requires business entities to provide certain expand their annual disclosures when they have received government assistance of the effective rate reconciliation and use a grant or contribution accounting model by analogy to other accounting guidance. income taxes paid. The ASU was effective for fiscal years beginning after January 1, 2022, December 15, 2024, may be adopted on a prospective or retrospective basis, and had no material impact early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our consolidated financial statements and related disclosures.

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In March 2020, November 2023, the FASB issued ASU 2020-04-07, *Reference Rate Reform Segment Reporting (Topic 848-280): Facilitation of the Effects of Reference Rate Reform on Financial Reporting Improvements to Reportable Segment Disclosures*, which provides optional expedients and exceptions requires business entities to enhance disclosures about significant segment expenses. The ASU is effective for applying GAAP principles to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued due to reference rate reform. In fiscal years beginning after December 15, 2023, 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which extended the adoption date. This guidance was effective beginning on March 12, 2020, and can be adopted on a prospective retrospective basis, no later than December 31, 2024, with early adoption is permitted. The Company early adopted is currently evaluating the ASU, and it did noteffect that the new guidance will have an impact on our consolidated financial statements. related disclosures.

4. Stock Options and Other Stock Plans

In April 2000, the shareholders approved the Union Pacific Corporation 2000 Directors Plan (Directors Plan) whereby 2,200,000 shares of our common stock were reserved for issuance to our non-employee directors. Under the Directors Plan, each non-employee director, upon his or her initial election to the Board of Directors, received a grant of 4,000 retention shares or retention stock units. In July 2018, the Board of Directors eliminated the retention grant for directors newly elected in 2018 and all future years. As of December 31, 2022 2023, 20,000 16,000 restricted shares were outstanding under the Directors Plan.

The Union Pacific Corporation 2004 Stock Incentive Plan (2004 Plan) was approved by shareholders in April 2004. The 2004 Plan reserved 84,000,000 shares of our common stock for issuance, plus any shares subject to awards made under previous plans that were outstanding on April 16, 2004, and became available for regrant pursuant to the terms of the 2004 Plan. Under the 2004 Plan, non-qualified stock options, stock appreciation rights, retention shares, stock units, and incentive bonus awards may be granted to eligible employees of the Corporation and its subsidiaries. Non-employee directors are not eligible for awards under the 2004 Plan. As of December 31, 2022, 14,408 stock options were outstanding under the 2004 Plan. We no longer grant any stock options or other stock or unit awards under this plan.

The Union Pacific Corporation 2013 Stock Incentive Plan (2013 Plan) was approved by shareholders in May 2013. The 2013 Plan reserved 78,000,000 shares of our common stock for issuance, plus any shares subject to awards made under previous plans as of February 28, 2013, that are subsequently cancelled, expired, forfeited, or otherwise not issued under previous plans. Under the 2013 Plan, non-qualified stock options, incentive stock options, retention shares, stock units, and incentive bonus awards may be granted to eligible employees of the Corporation and its subsidiaries. Non-employee directors are not eligible for awards under the 2013 Plan. As of December 31, 2022 2023, 1,300,270 1,090,770 stock options and 658,730 245,107 retention shares and stock units were outstanding under the 2013 Plan. We no longer grant any stock options or other stock or unit awards under this plan.

The Union Pacific Corporation 2021 Stock Incentive Plan (2021 Plan) was approved by shareholders in May 2021. The 2021 Plan reserved 23,000,000 shares of our common stock for issuance, plus any shares subject to awards made under previous plans as of December 31, 2020, that are subsequently cancelled, expired, forfeited, or otherwise not issued under previous plans. Under the 2021 Plan, non-qualified stock options, incentive stock options, retention shares, stock units, and incentive bonus awards may be granted to eligible employees of the Corporation and its subsidiaries. Non-employee directors are not eligible for awards under the 2021 Plan. As of December 31, 2022 2023, 659,135 981,484 stock options and 707,361 1,059,344 retention shares were outstanding under the 2021 Plan.

The Union Pacific Corporation 2021 Employee Stock Purchase Plan (2021 ESPP) was approved by shareholders in May 2021. The 2021 ESPP reserved 10,000,000 shares of our common stock for issuance. Under the 2021 ESPP, eligible employees of the Corporation and its subsidiaries may elect to purchase shares with a Company match award. Non-employee directors are not eligible for awards under the 2021 ESPP. As of December 31, 2022 2023, 364,281 754,708 shares were issued under the 2021 ESPP.

Pursuant to the above plans 3133,185,971,979,909; 34,011,624; 33,185,971; and 69,867,405; 34,011,624 shares of our common stock were authorized and available for grant at December 31, 2022, 2023, 2021, 2022, and 2020 2021, respectively.

Stock-Based Compensation – We have several stock-based compensation plans where employees receive nonvested stock options, nonvested retention shares, and nonvested stock units. We refer to the nonvested shares and stock units collectively as "retention awards". Employees also are able to participate in our ESPP.

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Information regarding stock-based compensation **expense** appears in the table below:

Millions	2022	2021	2020	2023	2022	2021
Stock-based compensation, before tax:						
Stock-based compensation expense, before tax:						
Stock options	\$ 14	\$ 15	\$ 15	\$ 16	\$ 14	\$ 15
Retention awards	68	66	58	71	68	66
ESPP	17	7	-	20	17	7
Total stock-based compensation, before tax	\$ 99	\$ 88	\$ 73			
Total stock-based compensation expense, before tax				\$ 107	\$ 99	\$ 88
Excess income tax benefits from equity compensation plans	\$ 21	\$ 26	\$ 55	\$ 11	\$ 21	\$ 26

Stock Options – Stock options are granted at the closing price on the date of grant, have 10-year contractual terms, and vest no later than 3 years from the date of grant. None of the stock options outstanding at December 31, **2022** **2023**, are subject to performance or market-based vesting conditions.

The table below shows the annual weighted-average assumptions used for Black-Scholes valuation purposes:

Weighted-Average Assumptions	2022	2021	2020	2023	2022	2021
Risk-free interest rate	1.6%	0.4%	1.5%	3.9%	1.6%	0.4%
Dividend yield	1.9%	1.9%	2.1%	2.6%	1.9%	1.9%
Expected life (years)	4.4	4.6	4.9	4.5	4.4	4.6
Volatility	28.7%	28.3%	23.4%	29.3%	28.7%	28.3%
Weighted-average grant-date fair value of options granted	\$ 51.92	\$ 39.97	\$ 32.20	\$ 48.31	\$ 51.92	\$ 39.97

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant; the expected dividend yield is calculated as the ratio of dividends paid per share of common stock to the stock price on the date of grant; the expected life is based on historical and expected exercise behavior; and expected volatility is based on the historical volatility of our stock price over the expected life of the stock option.

A summary of stock option activity during **2022** **2023** is presented below:

	Options (thous.)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (yrs.)	Aggregate Intrinsic Value (millions)
Outstanding at January 1, 2022	2,106	\$ 149.84	6.3	\$ 215
Granted	328	244.35	N/A	N/A
Exercised	(421)	124.60	N/A	N/A
Forfeited or expired	(39)	214.72	N/A	N/A
Outstanding at December 31, 2022	1,974	\$ 169.64	6.0	\$ 86
Vested or expected to vest at December 31, 2022	1,954	\$ 169.12	6.0	\$ 85
Options exercisable at December 31, 2022	1,308	\$ 144.09	4.9	\$ 82

	Options (thous.)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (yrs.)	Aggregate Intrinsic Value (millions)
Outstanding at January 1, 2023	1,974	\$ 169.64	6.0	\$ 86
Granted	351	202.81	N/A	N/A
Exercised	(233)	118.29	N/A	N/A
Forfeited or expired	(20)	218.46	N/A	N/A
Outstanding at December 31, 2023	2,072	\$ 180.56	5.9	\$ 135
Vested or expected to vest at December 31, 2023	2,053	\$ 180.23	5.9	\$ 134
Options exercisable at December 31, 2023	1,423	\$ 164.48	4.8	\$ 115

At December 31, 2022 2023, there was \$16 million of unrecognized compensation expense related to nonvested stock options, which is expected to be recognized over a weighted-average period of 1.0 year. Additional information regarding stock option exercises appears in the following table:

Millions	2022	2021	2020	2023	2022	2021
Intrinsic value of stock options exercised	\$ 53	\$ 84	\$ 120	\$ 23	\$ 53	\$ 84
Cash received from option exercises	27	58	95	27	27	58
Treasury shares repurchased for employee payroll taxes	(8)	(15)	(24)	(5)	(8)	(15)
Income tax benefit realized from option exercises	8	16	28	5	8	16
Aggregate grant-date fair value of stock options vested	13	14	15	\$ 14	\$ 13	\$ 14

Retention Awards – Retention awards are granted at no cost to the employee, vest over periods lasting up to 4 years, and dividends and dividend equivalents are paid to participants during the vesting periods.

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Changes in our retention awards during 2022 2023 were as follows:

	Shares (thous.)	Weighted-Average Grant-Date Fair Value	Shares (thous.)	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2022	1,287	\$ 165.10		
Nonvested at January 1, 2023			1,069	\$ 196.47
Granted	252	241.37	297	202.88
Vested	(410)	126.26	(317)	165.34
Forfeited	(60)	191.98	(53)	206.43
Nonvested at December 31, 2022	1,069	\$ 196.47		
Nonvested at December 31, 2023			996	\$ 207.76

At December 31, 2022 2023, there was \$87 \$82 million of total unrecognized compensation expense related to nonvested retention awards, which is expected to be recognized over a weighted-average period of 1.5 1.4 years.

Performance Retention Stock Unit Awards – In February 2022 2023, our Board of Directors approved performance stock unit grants. The basic terms of these performance stock units are identical to those granted in February 2021 2022, except for different including the annual return on invested capital (ROIC) and operating income growth (OIG) performance targets. The OIG performance targets compare to companies in the S&P 100 Industrials Index plus the Class I railroads. We define ROIC as net operating profit adjusted for interest expense (including interest on average operating lease liabilities) and taxes on interest divided by average invested capital adjusted for average operating lease liabilities.

The February 2022 2023 stock units awarded to selected employees executives are subject to continued employment for 37 months, the attainment of certain levels of ROIC, and the relative three-year OIG. We expense two-thirds of the fair value of the units that are probable of being earned based on our forecasted ROIC over the 3 three-year performance period, and with respect to the third year of the plan, we expense the remaining one-third of the fair value is subject to the relative three-year OIG. We measure the fair value of performance stock units based upon the closing price of the underlying common stock as of the date of grant. Dividend equivalents are accumulated during the service period and paid to participants only after the units are earned.

The February 2020 performance stock unit grants expense recognition and basic terms were similar to the February 2022 grant except the relative OIG targets were a modifier as compared to companies included in the S&P 500 Industrials Index. The modifier can be up to +/- 25% of the award earned based on the ROIC achieved.

Changes in our performance retention stock unit awards during 2022 2023 were as follows:

	Shares (thous.)	Weighted-Average Grant-Date Fair Value	Shares (thous.)	Weighted-Average Grant-Date Fair Value

Nonvested at January 1, 2022	641	\$ 173.03		
Nonvested at January 1, 2023			594	\$ 199.82
Granted	209	244.35	251	202.81
Vested	(56)	162.64	(78)	189.29
Unearned	(163)	161.57	(127)	186.11
Forfeited	(37)	211.96	(23)	218.31
Nonvested at December 31, 2022	594	\$ 199.82		
Nonvested at December 31, 2023			617	\$ 204.50

At December 31, 2022 2023, there was \$20 million \$13 million of total unrecognized compensation expense related to nonvested performance retention stock unit awards, which is expected to be recognized over a weighted-average period of 1.1 0.8 years. This expense is subject to achievement of the performance measures established for the performance stock unit grants.

Employee Stock Purchase Plan - Our ESPP started in July 2021. Employee and Company contributions are used to issue treasury shares the month after employee contributions are withheld based on the settlement date closing price. The Company matches 40% contributed by the employee up to a maximum employee contribution of 5% of monthly salary (limited to \$15,000 annually). We expense the Company contributions in the month the employee services were rendered (i.e., the month the employee contributions were withheld).

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5. Retirement Plans

Pension Benefits

We provide defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans. Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment, with specific reductions made for early retirements. Non-union employees hired on or after January 1, 2018, are no longer eligible for pension benefits, but are eligible for an enhanced 401(k) benefit as described below in other retirement programs.

Funded Status

We are required by GAAP to separately recognize the overfunded or underfunded status of our pension plans as an asset or liability. The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the plan assets. Our non-qualified (supplemental) pension plan is unfunded by design. The PBO of the pension plans is the present value of benefits earned to date by plan participants, including the effect of assumed future compensation increases. Plan assets are measured at fair value. We use a December 31 measurement date for plan assets and obligations for all our retirement plans.

Changes in our PBO and plan assets were as follows for the years ended December 31:

Funded Status	2022	2021	2023	2022
<i>Millions</i>				
Projected Benefit Obligation				
Projected benefit obligation at beginning of year	\$ 5,296	\$ 5,658	\$ 3,725	\$ 5,296
Service cost	93	110	52	93
Interest cost	123	104	187	123
Actuarial (gain)/loss	(1,557)	(346)		
Actuarial loss/(gain)			146	(1,557)
Gross benefits paid	(230)	(230)	(230)	(230)
Projected benefit obligation at end of year	\$ 3,725	\$ 5,296	\$ 3,880	\$ 3,725
Plan Assets				
Fair value of plan assets at beginning of year	\$ 5,554	\$ 5,016	\$ 4,363	\$ 5,554
Actual (loss)/return on plan assets	(992)	737		
Actual return/(loss) on plan assets			235	(992)
Non-qualified plan benefit contributions	31	31	32	31
Gross benefits paid	(230)	(230)	(230)	(230)
Fair value of plan assets at end of year	\$ 4,363	\$ 5,554	\$ 4,400	\$ 4,363

Funded status at end of year	\$ 638	\$ 258	\$ 520	\$ 638
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Actuarial losses that increase the PBO were driven by a decrease in 2023 discount rates from 5.21% to 5.00%. Actuarial gains that decreased the PBO were driven by an increase in 2022 discount rates from 2.80% to 5.21%.

Amounts recognized in the statement of financial position as of December 31, 2022 and 2021, consist of:

Millions	2022	2021	2023	2022
Noncurrent assets	\$ 1,033	\$ 807	\$ 924	\$ 1,033
Current liabilities	(31)	(31)	(31)	(31)
Noncurrent liabilities	(364)	(518)	(373)	(364)
Net amounts recognized at end of year	\$ 638	\$ 258	\$ 520	\$ 638

Pre-tax amounts recognized in accumulated other comprehensive income/loss consist of \$493 million and \$851 million net actuarial loss as of December 31, 2022 and 2021, respectively.

Pre-tax changes recognized in other comprehensive income/loss as of December 31, 2023, 2022, 2021, and 2020, were as follows:

Millions	2022	2021	2020	2023	2022	2021
Net actuarial (loss)/gain	\$ 272	\$ 813	\$ (408)	\$ (159)	\$ 272	\$ 813
Amortization of:						
Actuarial loss	86	141	104	9	86	141
Total	\$ 358	\$ 954	\$ (304)	\$ (150)	\$ 358	\$ 954

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Underfunded Accumulated Benefit Obligation – The accumulated benefit obligation (ABO) is the present value of benefits earned to date, assuming no future compensation growth. The underfunded accumulated benefit obligation represents the difference between the ABO and the fair value of plan assets.

The following table discloses only the PBO, ABO, and fair value of plan assets for pension plans where the accumulated benefit obligation is in excess of the fair value of the plan assets as of December 31:

Underfunded Accumulated Benefit Obligation	2022	2021	2023	2022
Millions				
Projected benefit obligation	\$ 394	\$ 549	\$ 404	\$ 394
Accumulated benefit obligation	\$ 382	\$ 513	\$ 399	\$ 382
Fair value of plan assets	-	-	-	-
Underfunded accumulated benefit obligation	\$ (382)	\$ (513)	\$ (399)	\$ (382)

The ABO for all defined benefit pension plans was \$3.5 billion and \$4.9 billion at December 31, 2022 and 2021, respectively.

Assumptions – The weighted-average actuarial assumptions used to determine benefit obligations at December 31:

Percentages	2022	2021	2023	2022
Discount rate	5.21%	2.80%	5.00%	5.21%
Compensation increase	4.10%	4.30%	4.00%	4.10%

Expense

Pension expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a 5-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual

returns on assets and expected returns based on long-term rate of return assumptions. Differences in actual experience in relation to assumptions are not recognized in net income immediately but are deferred in accumulated other comprehensive income/loss and, if necessary, amortized as pension expense.

The components of our net periodic pension benefit/cost were as follows for the years ended December 31:

Millions	2022	2021	2020	2023	2022	2021
Net Periodic Pension Cost:						
Service cost	\$ 93	\$ 110	\$ 91	\$ 52	\$ 93	\$ 110
Interest cost	123	104	137	187	123	104
Expected return on plan assets	(293)	(270)	(282)	(248)	(293)	(270)
Amortization of:						
Actuarial loss	86	141	104	9	86	141
Net periodic pension cost	\$ 9	\$ 85	\$ 50	\$ -	\$ 9	\$ 85

Assumptions – The weighted-average actuarial assumptions used to determine expense were as follows:

Percentages	2022	2021	2020	2023	2022	2021
Discount rate for benefit obligations	2.80%	2.42%	3.26%	5.21%	2.80%	2.42%
Discount rate for interest on benefit obligations	2.40%	1.90%	2.89%	5.14%	2.40%	1.90%
Discount rate for service cost	2.91%	2.61%	3.42%	5.19%	2.91%	2.61%
Discount rate for interest on service cost	2.86%	2.53%	3.36%	5.21%	2.86%	2.53%
Expected return on plan assets	6.25%	6.25%	7.00%	5.25%	6.25%	6.25%
Compensation increase	4.10%	4.40%	4.10%	4.10%	4.10%	4.40%

We measure the service cost and interest cost components of our net periodic pension benefit/cost by using individual spot discount rates matched with separate cash flows for each future year. The discount rates were based on a yield curve of high-quality corporate bonds. The expected return on plan assets is based on our asset allocation mix and our historical return, taking into account current and expected market conditions. The actual return/(loss) on pension plan assets, net of fees, was approximately 6% (18% in 2023, 18% in 2022, and 15% in 2021, and 16% in 2020).

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Cash Contributions

The following table details cash contributions, if any, for the qualified and non-qualified (supplemental) pension plans:

Millions	Qualified	Non-qualified	Qualified	Non-qualified
2023			\$ -	\$ 32
2022	\$ -	\$ 31	\$ -	\$ 31
2021	-	31		

Our policy with respect to funding the qualified pension plans is to fund at least the minimum required by law and not more than the maximum amount deductible for tax purposes.

The non-qualified pension plans are not funded and are not subject to any minimum regulatory funding requirements. Benefit payments for each year represent supplemental pension payments. We anticipate our 2023 2024 supplemental pension payments will be made from cash generated from operations.

Benefit Payments

The following table details expected benefit payments for the years 2023 2024 through 2032 2033:

Millions	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
2023	\$ 230										
2024		\$ 228									

2025		227	229
2026		228	229
2027		229	230
Years 2028 - 2032		1,172	
2028			231
Years 2029 - 2033			\$ 1,188

Asset Allocation Strategy

Our pension plan asset allocation at December 31, 2022 2023 and 2021 2022, and target allocation for 2023 2024, are as follows:

	Target Allocation 2023	Percentage of Plan Assets		Percentage of Plan Assets		
		December 31,		Target Allocation 2024	December 31,	
		2022	2021		2023	2022
Equity securities	20% to 30%	48%	57%	20% to 30%	24%	48%
Debt securities	70% to 80%	51	42	70% to 80%	75	51
Real estate	0% to 2%	1	1	0% to 2%	1	1
Total	Total	100%	100%	Total	100%	100%

The pension plan investments are held in a master trust. The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve our target average long-term rate of return of 5.25%. While we believe we can achieve a long-term average rate of return of 5.25%, we cannot be certain that the portfolio will perform to our expectations. Assets are strategically allocated among equity, debt, and other investments in order to achieve a diversification level that reduces fluctuations in investment returns. Asset allocation target ranges for equity, debt, and other portfolios are evaluated at least every three years with the assistance of an independent consulting firm. Actual asset allocations are monitored monthly, and rebalancing actions are executed at least quarterly, as needed.

Since 2020, the asset allocation targets for equity and debt have been adjusted annually to move from equity to debt as a de-risking measure. The current We met our target endpoint for this de-risking is of 25% equity and 75% debt in 2023. Equity risks are balanced by investing a significant portion of the plans' assets in high-quality debt securities. The average credit rating of the debt portfolio was AA- and A+A+ at both December 31, 2022 2023 and 2021 2022, respectively. The debt portfolio is also broadly diversified and invested primarily in U.S. Treasury, mortgage, and corporate securities. The weighted-average maturity of the debt portfolio was 2122 years and 2021 years at December 31, 2022 2023 and 2021 2022, respectively.

The investment of pension plan assets in securities issued by UPC is explicitly prohibited by the plan for both the equity and debt portfolios, other than through index fund holdings.

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Fair Value Measurements

The pension plan assets are valued at fair value. The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Temporary Cash Investments – These investments consist of U.S. dollars and foreign currencies held in master trust accounts at The Northern Trust Company (the Trustee). Foreign currencies held are reported in terms of U.S. dollars based on currency exchange rates readily available in active markets. U.S. dollars and foreign currencies are classified as Level 1 investments.

Registered Investment Companies – Registered Investment Companies are entities primarily engaged in the business of investing in securities and are registered with the SEC. The plan's prior holdings of Registered Investment Companies include included both public and private fund vehicles. The public vehicles are exchange-traded funds (stocks), which are classified as Level 1 investments. The private vehicles (bonds) do not have published pricing and are valued using Net Asset Value (NAV).

Federal Government Securities – Federal Government Securities consist of bills, notes, bonds, and other fixed income securities issued directly by the U.S. Treasury or by government-sponsored enterprises. These assets are valued using a bid evaluation process with bid data provided by independent pricing sources. Federal Government Securities are classified as Level 2 investments.

Bonds and Debentures – Bonds and debentures consist of debt securities issued by U.S. and non-U.S. corporations as well as state and local governments. These assets are valued using a bid evaluation process with bid data provided by independent pricing sources. Corporate, state, and municipal bonds and debentures are classified as Level 2 investments.

Corporate Stock – This investment category consists of common and preferred stock issued by U.S. and non-U.S. corporations. Most common shares are traded actively on exchanges and price quotes for these shares are readily available. Common stock is classified as a Level 1 investment. Preferred shares included in this category are valued using a bid evaluation process with bid data provided by independent pricing sources. Preferred stock is classified as a Level 2 investment.

Venture Capital and Buyout Partnerships – This investment category is comprised of interests in limited partnerships that invest primarily in privately-held companies. Due to the private nature of the partnership investments, pricing inputs are not readily observable. Asset valuations are developed by the general partners that manage the partnerships. These valuations are based on the application of public market multiples to private company cash flows, market transactions that provide valuation information for comparable companies, and other methods. The fair value recorded by the plan is calculated using each partnership's NAV.

Real Estate Funds – **Most of the** The plan's real estate investments are primarily interests in private real estate investment trusts, partnerships, limited liability companies, and similar structures. Valuations for the holdings in this category are not based on readily observable inputs and are primarily derived from property appraisals. The fair value recorded by the plan is calculated using the NAV for each investment.

Collective Trust and Other Funds – Collective trust and other funds are comprised of shares or units in commingled funds and limited liability companies that are not publicly traded. The underlying assets in these entities (U.S. (global stock funds, non-U.S. stock funds, commodity funds, hedge funds and short-term investment funds) are publicly traded on exchanges and price quotes for the assets held by these funds are readily available. The fair value recorded by the plan is calculated using NAV for each investment.

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As of December 31, 2023, the pension plan assets measured at fair value on a recurring basis were as follows:

Millions	Quoted Prices		Significant			Total	
	in Active		Other	Significant			
	Markets for	Identical Inputs		Inputs	Inputs		
Plan assets at fair value:		(Level 1)	(Level 2)	(Level 3)			
Temporary cash investments							
Registered investment companies [a]	\$	-	\$	-	\$	-	
Federal government securities		-		1,508		1,508	
Bonds and debentures		-		1,696		1,696	
Corporate stock		176	5	-		181	
Total plan assets at fair value	\$	176	\$	3,209	\$	3,385	
Plan assets at NAV:							
Registered investment companies [b]						-	
Venture capital and buyout partnerships						554	
Real estate funds						30	
Collective trust and other funds						382	
Total plan assets at NAV					\$	966	
Other assets/(liabilities) [c]						49	
Total plan assets					\$	4,400	

As of December 31, 2022, the pension plan assets measured at fair value on a recurring basis were as follows:

	Quoted Prices	Significant

Millions	in Active		Other		Significant		Total	
	Markets for		Observable		Unobservable			
	Identical Inputs		Inputs		Inputs			
Millions	(Level 1)		(Level 2)		(Level 3)			
Plan assets at fair value:								
Temporary cash investments	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1		
Registered investment companies [a]	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 6		
Federal government securities	\$ -	\$ 803	\$ -	\$ -	\$ -	\$ 803		
Bonds and debentures	\$ -	\$ 1,069	\$ -	\$ -	\$ -	\$ 1,069		
Corporate stock	\$ 1,104	\$ 7	\$ -	\$ -	\$ -	\$ 1,111		
Total plan assets at fair value	\$ 1,111	\$ 1,879	\$ -	\$ -	\$ -	\$ 2,990		
Plan assets at NAV:								
Registered investment companies [b]							\$ 68	
Venture capital and buyout partnerships							\$ 611	
Real estate funds							\$ 37	
Collective trust and other funds							\$ 622	
Total plan assets at NAV							\$ 1,338	
Other assets/(liabilities) [c]							\$ 35	
Total plan assets							\$ 4,363	

As of December 31, 2021, the pension plan assets measured at fair value on a recurring basis were as follows:

Millions	Quoted Prices		Significant		Total	
	in Active		Other			
	Markets for		Observable			
Millions	Identical Inputs		Inputs			
Millions	(Level 1)		(Level 2)			
Plan assets at fair value:						
Temporary cash investments	\$ 9	\$ -	\$ -	\$ -	\$ 9	
Registered investment companies [a]	\$ 10	\$ -	\$ -	\$ -	\$ 10	
Federal government securities	\$ -	\$ 742	\$ -	\$ -	\$ 742	
Bonds and debentures	\$ -	\$ 1,116	\$ -	\$ -	\$ 1,116	
Corporate stock	\$ 1,980	\$ 10	\$ -	\$ -	\$ 1,990	
Total plan assets at fair value	\$ 1,999	\$ 1,868	\$ -	\$ -	\$ 3,867	
Plan assets at NAV:						
Registered investment companies [b]					\$ 185	
Venture capital and buyout partnerships					\$ 710	
Real estate funds					\$ 48	
Collective trust and other funds					\$ 756	
Total plan assets at NAV					\$ 1,699	
Other assets/(liabilities) [c]					\$ (12)	
Total plan assets					\$ 5,554	

[a] Registered investment companies measured at fair value are stock investments.

[b] Registered investment companies measured at NAV include bond investments.

[c] Includes accrued receivables, net payables, and pending broker settlements.

The master trust's investments in limited partnerships and similar structures (used to invest in private equity and real estate) are valued at fair value based on their proportionate share of the partnerships' fair value as recorded in the limited partnerships' audited financial statements. The limited partnerships allocate gains, losses, and expenses to the partners based on the ownership percentage as described in the partnership agreements. At December 31, 2022 2023 and 2021 2022, the master trust had future commitments for

additional contributions to private equity partnerships totaling ~~\$91~~ \$80 million and ~~\$115~~ \$91 million, respectively, and to real estate partnerships and funds totaling \$5 million and ~~\$7~~ \$5 million, respectively.

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Other Retirement Programs

Other Postretirement Post Retirement Benefits – We provide medical and life insurance benefits for eligible retirees hired before January 1, 2004. These benefits are funded as medical claims and life insurance premiums are paid. OPEB expense is determined based upon the annual service cost of benefits and the interest cost on those liabilities less the expected return on plan assets, plus amortization of net (gain)/loss amounts offset by amortization of prior service credits recorded in AOCI. Our OPEB liability was ~~\$134~~ \$104 million and ~~\$165~~ \$134 million at December 31, 2022 2023 and 2021 2022, respectively. The liability is based on discount rate assumptions of 4.97% and 5.23% at December 31, 2023 and 2022, respectively. OPEB net periodic (benefit)/cost was (\$7) million in 2023, (\$2) million in 2022, and (\$3) million in 2021, and (\$1) million in 2020.

401(k)/Thrift Plan – For non-union employees hired prior to January 1, 2018, and eligible union employees for whom we make matching contributions, we provide a defined contribution plan (401(k)/thrift plan). We match 50% for each dollar contributed by employees up to the first 6% of compensation contributed. For non-union employees hired on or after January 1, 2018, we match 100% for each dollar, up to the first 6% of compensation contributed, in addition to contributing an annual amount of 3% of the employee's annual base salary. Our plan contributions were \$27 million in 2023, \$24 million in 2022, and \$21 million in 2021, and \$19 million in 2020.

Railroad Retirement System – All Railroad employees are covered by the Railroad Retirement System (the System). Contributions made to the System are expensed as incurred and amounted to approximately \$711 million in 2023, \$586 million in 2022, and \$550 million in 2021, and \$569 million in 2020.

Collective Bargaining Agreements – Under collective bargaining agreements, we participate in multi-employer benefit plans that provide certain postretirement post retirement health care and life insurance benefits for eligible union employees. Premiums paid under these plans are expensed as incurred and amounted to \$16 million in 2023, \$20 million in 2022, \$30 million in 2021, and \$30 million in 2020 2021.

6. Other Income

Other income included the following for the years ended December 31:

Millions	2022	2021	2020	2023	2022	2021
Real estate income [a] [b]	\$ 381	\$ 263	\$ 264	\$ 414	\$ 381	\$ 263
Net periodic pension benefit/(costs)	84	25	41	52	84	25
Interest income [a]				52	23	4
Environmental remediation and restoration	(47)	(17)	(30)	(37)	(47)	(17)
Gain from sale of investment	-	36	-	-	-	36
Other [a]	8	(10)	12	10	(15)	(14)
Total	\$ 426	\$ 297	\$ 287	\$ 491	\$ 426	\$ 297

[a] Prior periods have been reclassified to conform to the current period disclosure.

[b] 2023 includes a one-time \$107 million transaction. 2022 includes a \$79 million gain from a land sale to the Illinois State Toll Highway Authority and a \$35 million gain from a sale to the Colorado Department of Transportation. 2021 includes a \$50 million gain from a sale to the Colorado Department of Transportation. 2020 includes a \$69 million gain from a land and permanent easement sale to the Illinois State Toll Highway Authority.

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7. Income Taxes

Components of income tax expense were as follows for the years ended December 31:

Millions	2022	2021	2020	2023	2022	2021
Current tax expense:						
Federal	\$ 1,465	\$ 1,446	\$ 1,026	\$ 1,417	\$ 1,465	\$ 1,446
State	340	347	259	314	340	347
Foreign	7	8	6	6	7	8

Total current tax expense	1,812	1,801	1,291	1,737	1,812	1,801
Deferred and other tax expense/(benefit):						
Federal	320	199	295	219	320	199
State [a]	(59)	(44)	45	(104)	(59)	(44)
Foreign	1	(1)	-	2	1	(1)
Total deferred and other tax expense	262	154	340	117	262	154
Total income tax expense	\$ 2,074	\$ 1,955	\$ 1,631	\$ 1,854	\$ 2,074	\$ 1,955

[a] In 2023, Nebraska, Iowa, Kansas, and Arkansas enacted corporate income tax legislation that resulted in a \$114 million reduction of our deferred tax expense. In 2022, Nebraska, Iowa, Arkansas, and Idaho enacted corporate income tax legislation that resulted in a \$95 million reduction of our deferred tax expense. In 2021, Nebraska, Oklahoma, Idaho, Louisiana, and Arkansas enacted corporate income tax legislation that resulted in a \$32 million reduction of our deferred tax expense.

For the years ended December 31, reconciliations between statutory and effective tax rates are as follows:

Tax Rate Percentages	2022	2021	2020	2023	2022	2021
Federal statutory tax rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
State statutory rates, net of federal benefits	3.6	3.7	3.7	3.4	3.6	3.7
Deferred tax adjustments	(1.0)	(0.6)	(0.1)	(1.2)	(1.0)	(0.6)
Dividends received deduction	(0.5)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)
Excess tax benefits from equity compensation plans	(0.2)	(0.3)	(0.8)	(0.1)	(0.2)	(0.3)
Other	-	(0.2)	0.1	-	-	(0.2)
Effective tax rate	22.9%	23.1%	23.4%	22.5%	22.9%	23.1%

Deferred income tax assets/(liabilities) were comprised of the following at December 31:

Millions	2022	2021	2023	2022
Deferred income tax liabilities:				
Property	\$ (12,910)	\$ (12,657)	\$ (12,987)	\$ (12,910)
Operating lease assets	(411)	(441)	(404)	(411)
Other	(591)	(534)	(556)	(591)
Total deferred income tax liabilities	(13,912)	(13,632)	(13,947)	(13,912)
Deferred income tax assets:				
Operating lease liabilities	401	434	394	401
Accrued casualty costs	164	157	168	164
Accrued wages	50	45	50	50
Stock compensation	26	26	26	26
Retiree benefits	-	39	-	-
Other	238	256	186	238
Total deferred income tax assets	879	957	824	879
Net deferred income tax liability	\$ (13,033)	\$ (12,675)	\$ (13,123)	\$ (13,033)

In 2022 2023 and 2021 2022, there were no valuation allowances against deferred tax assets.

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A reconciliation of changes in unrecognized tax benefits liabilities/(assets) from the beginning to the end of the reporting period is as follows:

Millions	2022	2021	2020	2023	2022	2021
Unrecognized tax benefits at January 1	\$ 38	\$ 74	\$ 64	\$ 34	\$ 38	\$ 74
Lapse of statutes of limitations					(4)	(3)
Decreases for positions taken in prior years	(4)	(24)	(19)	(1)	(4)	(24)

Increases for positions taken in current year	3	3	18	1	3	3
Lapse of statutes of limitations	(3)	(1)	(1)			
Refunds from/(payments to) and settlements with taxing authorities	-	(12)	-	-	-	(12)
Increases/(decreases) for interest and penalties	-	(3)	5	-	-	(3)
Increases for positions taken in prior years	-	1	7	-	-	1
Unrecognized tax benefits at December 31	\$ 34	\$ 38	\$ 74	\$ 30	\$ 34	\$ 38

We recognize interest and penalties as part of income tax expense. Total accrued liabilities/(receivables) for interest and penalties were **(\$3.4)** million and **(\$1.3)** million at December 31, **2022** **2023** and **2021** **2022**, respectively. Total interest and penalties recognized as part of income tax expense/(benefit) were **(\$1)** million for **2023**, **(\$2)** million for **2022**, and **(\$5)** million for **2021**, and **\$5** million for **2020**.

Several state tax authorities are examining our state income tax returns for years 2018 through **2021**.**2022**.

We do not expect our unrecognized tax benefits to change significantly in the next 12 months. The portion of our unrecognized tax benefits that relates to permanent changes in tax and interest would reduce our effective tax rate, if recognized. The remaining unrecognized tax benefits relate to tax positions for which only the timing of the benefit is uncertain. The unrecognized tax benefits that would reduce our effective tax rate are **\$31 million** **\$30 million** for **2022** **2023**, **\$31 million** for **2021** **2022**, and **\$52** **\$31 million** for **2020** **2021**.

8. Earnings Per Share

The following table provides a reconciliation between basic and diluted earnings per share for the years ended December 31:

Millions, Except Per Share Amounts	2022	2021	2020	2023	2022	2021
Net income	\$ 6,998	\$ 6,523	\$ 5,349	\$ 6,379	\$ 6,998	\$ 6,523
Weighted-average number of shares outstanding:						
Basic	622.7	653.8	677.3	609.2	622.7	653.8
Dilutive effect of stock options	0.6	0.8	0.8	0.4	0.6	0.8
Dilutive effect of retention shares and units	0.7	0.8	1.0	0.6	0.7	0.8
Diluted	624.0	655.4	679.1	610.2	624.0	655.4
Earnings per share – basic	\$ 11.24	\$ 9.98	\$ 7.90			
Earnings per share – diluted	\$ 11.21	\$ 9.95	\$ 7.88			
Earnings per share - basic				\$ 10.47	\$ 11.24	\$ 9.98
Earnings per share - diluted				\$ 10.45	\$ 11.21	\$ 9.95

Common stock options totaling **0.9** million, **0.3** million, **0.2** million, and **0.3** **0.2** million for **2022** **2023**, **2021** **2022**, and **2020** **2021**, respectively, were excluded from the computation of diluted earnings per share because the exercise prices of these stock options exceeded the average market price of our common stock for the respective periods, and the effect of their inclusion would be anti-dilutive.

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9. Accumulated Other Comprehensive Income/Loss

Reclassifications out of accumulated other comprehensive income/loss were as follows (net of tax):

Millions	Defined benefit plans	Foreign currency translation	Total	Defined benefit plans	Foreign currency translation	gain on derivative instruments	Unrealized [a]
Balance at January 1, 2023				\$ (378)	\$ (204)	\$ -	\$ (582)
Other comprehensive income/(loss) before reclassifications				5	58	16	79
Amounts reclassified from accumulated other comprehensive income/(loss)				(111)	-	-	(111)
[b]							

Net year-to-date other comprehensive income/(loss), net of taxes of \$31 million	(106)	58	16	(32)
Balance at December 31, 2023	\$ (484)	\$ (146)	\$ 16	\$ (614)
Balance at January 1, 2022	\$ (658)	\$ (256)	\$ (914)	\$ (658)
Other comprehensive income/(loss) before reclassifications	Other comprehensive income/(loss) before reclassifications	52	52	52
Amounts reclassified from accumulated other comprehensive income/(loss) [a]	280	-	280	
Net year-to-date other comprehensive income/(loss), net of taxes of (\$92) million	280	52	332	
Amounts reclassified from accumulated other comprehensive income/(loss) [b]		280	-	280
Net year-to-date other comprehensive income/(loss), net of taxes of (\$92) million		280	52	332
Balance at December 31, 2022	\$ (378)	\$ (204)	\$ (582)	\$ (378)
Balance at January 1, 2021	\$ (1,381)	\$ (212)	\$ (1,593)	
Other comprehensive income/(loss) before reclassifications	-	(44)	(44)	
Amounts reclassified from accumulated other comprehensive income/(loss) [a]	723	-	723	
Net year-to-date other comprehensive income/(loss), net of taxes of (\$237) million	723	(44)	679	
Balance at December 31, 2021	\$ (658)	\$ (256)	\$ (914)	

[a] Related to interest rate swaps from equity method investments.

[a] [b] The accumulated other comprehensive income/loss reclassification components are 1) prior service cost/credit and 2) net actuarial loss, which are both included in the computation of net periodic pension benefit/cost. See Note 5 Retirement Plans for additional details.

10. Accounts Receivable

Accounts receivable includes freight and other receivables reduced by an allowance for doubtful accounts. At both December 31, 2022 2023 and 2021 2022, our accounts receivable were reduced by \$10 million, \$9 million and \$10 million, respectively. Receivables not expected to be collected in one year and the associated allowances are classified as other assets in our Consolidated Statements of Financial Position. At December 31, 2022 2023 and 2021 2022, receivables classified as other assets were reduced by allowances of \$58 million \$71 million and \$51 58 million, respectively.

Receivables Securitization Facility – On July 29, 2022, the The Railroad completed the renewal of the maintains an \$800 million, 3-year receivables securitization facility (the Receivables Facility). The new \$800 million, 3-year facility replaces the prior \$800 million facility and matures maturing in July 2025. Under the Receivables Facility, the Railroad sells most of its eligible third-party receivables to Union Pacific Receivables, Inc. (UPRI), a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in accounts receivable to investors. The investors have no recourse to the Railroad's other assets except for customary warranty and indemnity claims. Creditors of the Railroad do not have recourse to the assets of UPRI.

The amount recorded under the Receivables Facility was \$100 million \$0 and \$300 million \$100 million at December 31, 2022 2023 and 2021 2022, respectively. The Receivables Facility was supported by \$1.6 \$1.7 billion and \$1.3 \$1.6 billion of accounts receivable as collateral at December 31, 2022 2023 and 2021 2022, respectively, which, as a retained interest, is included in accounts receivable, net in our Consolidated Statements of Financial Position.

The outstanding amount the Railroad maintains under the Receivables Facility may fluctuate based on current cash needs. The maximum allowed under the Receivables Facility is \$800 million with availability directly impacted by eligible receivables, business volumes, and credit risks, including receivables payment quality measures such as default and dilution ratios. If default or dilution ratios increase one percent, the allowable outstanding amount under the Receivables Facility would not materially change.

The costs of the Receivables Facility include interest, which will vary based on prevailing benchmark and commercial paper rates, program fees paid to participating banks, commercial paper issuance costs, and fees of participating banks for unused commitment availability. The costs of the Receivables Facility are included in interest expense and were \$9 million, \$10 million, \$4 million, and \$7 \$4 million for 2023, 2022, and 2021, and 2020, respectively.

11. Properties

The following tables list the major categories of property and equipment as well as the weighted-average estimated useful life for each category (in years):

Millions, Except Estimated Useful Life	Accumulated		Net Book	Estimated	Accumulated		Net Book	Estimated
As of December 31, 2022	Cost	Depreciation	Value	Useful Life	Cost	Depreciation	Value	Useful Life
As of December 31, 2023								
Land	\$ 5,344	\$ N/A	\$ 5,344	N/A	\$ 5,426	\$ N/A	\$ 5,426	N/A
Road:								
Rail and other track material	18,419	7,096	11,323	43	18,837	7,344	11,493	42
Ties	11,676	3,699	7,977	34	11,985	3,895	8,090	34
Ballast	6,222	1,950	4,272	34	6,345	2,061	4,284	34
Other roadway [a]	22,411	4,970	17,441	47	23,175	5,368	17,807	47
Total road	58,728	17,715	41,013	N/A	60,342	18,668	41,674	N/A
Equipment:								
Locomotives	9,166	3,606	5,560	18	9,295	3,591	5,704	18
Freight cars	2,562	898	1,664	23	2,765	956	1,809	23
Work equipment and other	1,253	473	780	17	1,344	546	798	17
Total equipment	12,981	4,977	8,004	N/A	13,404	5,093	8,311	N/A
Technology and other	1,254	525	729	12	1,388	574	814	12
Construction in progress	948	-	948	N/A	1,173	-	1,173	N/A
Total	\$ 79,255	\$ 23,217	\$ 56,038	N/A	\$ 81,733	\$ 24,335	\$ 57,398	N/A

Millions, Except Estimated Useful Life	Accumulated		Net Book	Estimated	Accumulated		Net Book	Estimated
As of December 31, 2021	Cost	Depreciation	Value	Useful Life	Cost	Depreciation	Value	Useful Life
As of December 31, 2022								
Land	\$ 5,339	\$ N/A	\$ 5,339	N/A	\$ 5,344	\$ N/A	\$ 5,344	N/A
Road:								
Rail and other track material	17,980	6,844	11,136	44	18,419	7,096	11,323	43
Ties	11,364	3,516	7,848	34	11,676	3,699	7,977	34
Ballast	6,070	1,852	4,218	34	6,222	1,950	4,272	34
Other roadway [a]	21,593	4,657	16,936	47	22,411	4,970	17,441	47
Total road	57,007	16,869	40,138	N/A	58,728	17,715	41,013	N/A
Equipment:								
Locomotives	9,371	3,779	5,592	17	9,166	3,606	5,560	18
Freight cars	2,227	822	1,405	24	2,562	898	1,664	23
Work equipment and other	1,161	411	750	18	1,253	473	780	17
Total equipment	12,759	5,012	7,747	N/A	12,981	4,977	8,004	N/A
Technology and other	1,209	523	686	12	1,254	525	729	12
Construction in progress	961	-	961	N/A	948	-	948	N/A
Total	\$ 77,275	\$ 22,404	\$ 54,871	N/A	\$ 79,255	\$ 23,217	\$ 56,038	N/A

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

Property and Depreciation – Our railroad operations are highly capital-intensive, and our large base of homogeneous, network-type assets turns over on a continuous basis. Each year we develop a capital program for the replacement of assets and for the acquisition or construction of assets that enable us to enhance our operations or provide new service offerings to customers. We currently have more than 60 depreciable asset classes, and we may increase or decrease the number of asset classes due to changes in technology, asset strategies, or other factors.

We determine the estimated service lives of depreciable railroad assets by means of depreciation studies. We perform depreciation studies at least every 3 years for equipment and every 6 years for track assets (i.e., rail and other track material, ties, and ballast) and other road property. Our depreciation studies take into account the following factors:

- Statistical analysis of historical patterns of use and retirements of each of our asset classes,
- Evaluation of any expected changes in current operations and the outlook for continued use of the assets,
- Evaluation of technological advances and changes to maintenance practices, and
- Expected salvage to be received upon retirement.

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For rail in high-density traffic corridors, we measure estimated service lives in millions of gross tons per mile of track. It has been our experience that the lives of rail in high-density traffic corridors are closely correlated to usage (i.e., the amount of weight carried over the rail). The service lives also vary based on rail weight, rail condition (e.g., new or secondhand), and rail type (e.g., straight or curve). Our depreciation studies for rail in high-density traffic corridors consider each of these factors in determining the estimated service lives. For rail in high-density traffic corridors, we calculate depreciation rates annually by dividing the number of gross ton-miles carried over the rail (i.e., the weight of loaded and empty freight cars, locomotives, and maintenance of way equipment transported over the rail) by the estimated service lives of the rail measured in millions of gross tons per mile. For all other depreciable assets, we compute depreciation based on the estimated service lives of our assets as determined from the analysis of our depreciation studies. Changes in the estimated service lives of our assets and their related depreciation rates are implemented prospectively.

Under the group method of depreciation, the historical cost (net of salvage) of depreciable property that is retired or replaced in the ordinary course of business is charged to accumulated depreciation and no gain or loss is recognized. The historical cost of certain track assets is estimated by multiplying the current replacement cost of track assets by a historical index factor derived from (a) inflation indices published by the Bureau of Labor Statistics and (b) the estimated useful lives of the assets as determined by our depreciation studies. The indices were selected because they closely correlate with the major costs of the properties comprising the applicable track asset classes. Because of the number of estimates inherent in the depreciation and retirement processes and because it is impossible to precisely estimate each of these variables until a group of property is completely retired, we continually monitor the estimated service lives of our assets and the accumulated depreciation associated with each asset class to ensure our depreciation rates are appropriate. In addition, we determine if the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by our depreciation studies. Any deficiency (or excess) is amortized as a component of depreciation expense over the remaining service lives of the applicable classes of assets.

For retirements of depreciable railroad properties that do not occur in the normal course of business, a gain or loss may be recognized if the retirement meets each of the following three conditions: (a) is unusual, (b) is material in amount, and (c) varies significantly from the retirement profile identified through our depreciation studies. A gain or loss is recognized in other income when we sell land or dispose of assets that are not part of our railroad operations.

We review construction in progress assets that have not yet been placed into service, for impairment when events or changes in circumstances indicate that the carrying amount of a long-lived asset or assets may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of construction in progress assets when grouped with other assets and liabilities at the lowest level where identifiable cash flows are largely independent, the carrying value is reduced to the estimated fair value.

When we purchase an asset, we capitalize all costs necessary to make the asset ready for its intended use. However, many of our assets are self-constructed. A large portion of our capital expenditures is for replacement of existing track assets and other road properties, which is typically performed by our employees, and for track line expansion and other capacity projects. Costs that are directly attributable to capital projects (including overhead costs) are capitalized. Direct costs that are capitalized as part of self-constructed assets include material, labor, and work equipment. Indirect costs are capitalized if they clearly relate to the construction of the asset.

Costs incurred that extend the useful life of an asset, improve the safety of our operations, or improve operating efficiency are capitalized, while normal repairs and maintenance are expensed as incurred. These costs are allocated using appropriate statistical bases. Total expense for repairs and maintenance incurred was \$2.5 billion for 2023, \$2.4 billion for 2022, and \$2.1 billion for 2021, and \$2.0 billion for 2020.

Assets held under finance leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease.

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12. Accounts Payable and Other Current Liabilities

Millions	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2023	Dec. 31, 2022
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Compensation-related accruals [a]	\$ 938	\$ 654		
Accounts payable	784	752	\$ 856	\$ 784
Income and other taxes payable	628	823	685	628
Compensation-related accruals			533	938
Interest payable	379	330	389	379
Current operating lease liabilities (Note 16)	331	330	355	331
Accrued casualty costs	242	187	307	242
Equipment rents payable	109	98	98	109
Other [a]	431	404		
Other			460	431
Total accounts payable and other current liabilities	\$ 3,842	\$ 3,578	\$ 3,683	\$ 3,842

[a] Prior periods have been reclassified to conform to the current period disclosure.

13. Financial Instruments

Short-Term Investments – All of the Company's short-term investments consist of time deposits and government agency securities. These investments are considered Level 2 investments and are valued at amortized cost, which approximates fair value. As of both December 31, 2022 2023 and 2021 2022, the Company had \$46 \$16 million and \$46 million of short-term investments, investments, respectively. All short-term investments have a maturity of less than one year and are classified as held-to-maturity.

Fair Value of Financial Instruments – The fair value of our short- and long-term debt was estimated using a market value price model, which utilizes applicable U.S. Treasury rates along with current market quotes on comparable debt securities. All of the inputs used to determine the fair market value of the Corporation's long-term debt are Level 2 inputs and obtained from an independent source. At December 31, 2023, the fair value of total debt was \$28.5 billion, approximately \$4.1 billion less than the carrying value. At December 31, 2022, the fair value of total debt was \$28.1 billion, approximately \$5.2 billion less than the carrying value. At December 31, 2021, the fair value of total debt was \$32.9 billion, approximately \$3.2 billion more than the carrying value. The fair value of the Corporation's debt is a measure of its current value under present market conditions. The fair value of our cash equivalents approximates their carrying value due to the short-term maturities of these instruments.

14. Debt

Total debt as of December 31, 2022 2023 and 2021 2022, is summarized below:

Millions	2022	2021	2023	2022
Notes and debentures, 2.2% to 7.1% due through February 14, 2072	\$ 33,658	\$ 29,508	\$ 33,383	\$ 33,658
Equipment obligations, 2.6% to 6.2% due through January 2, 2031	809	848		
Finance leases, 3.1% to 8.0% due through December 10, 2028	234	336		
Commercial paper, 3.3% to 4.7% due through January 17, 2023	200	400		
Equipment obligations, 2.6% to 6.2% due through January 2, 2031 [a]			770	809
Finance leases, 3.1% to 6.8% due through December 10, 2028			158	234
Commercial paper			-	200
Receivables Facility (Note 10)	100	300	-	100
Term loans - floating rate, due August 31, 2023	100	100		
Term loans			-	100
Unamortized discount and deferred issuance costs	(1,775)	(1,763)	(1,732)	(1,775)
Total debt	33,326	29,729	32,579	33,326
Less: current portion	(1,678)	(2,166)	(1,423)	(1,678)
Total long-term debt	\$ 31,648	\$ 27,563	\$ 31,156	\$ 31,648

[a] Equipment obligations are secured by an interest in certain railroad equipment with a carrying value of approximately \$0.9 billion at both December 31, 2023 and 2022.

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Debt Maturities – The following table presents aggregate debt maturities as of December 31, 2022 2023, excluding market value adjustments:

Millions

2023	\$ 1,681
2024	1,434
2025	1,528
2026	1,015
2027	1,285
Thereafter	28,158
Total principal	35,101
Unamortized discount and deferred issuance costs	(1,775)
Total debt	\$ 33,326

Equipment Encumbrances – Equipment with a carrying value of approximately \$903 million and \$1.2 billion at December 31, 2022 and 2021, respectively, served as collateral for finance leases and other types of equipment obligations in accordance with the secured financing arrangements utilized to acquire or refinance such railroad equipment.

<i>Millions</i>	
2024	\$ 1,427
2025	1,426
2026	1,515
2027	1,285
2028	1,235
Thereafter	27,423
Total principal	34,311
Unamortized discount and deferred issuance costs	(1,732)
Total debt	\$ 32,579

Debt Redemption – On April 15, 2022, we redeemed all \$750 million of outstanding 4.163% notes due July 15, 2022, at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest.

Debt Exchange - On April 6, 2021, we exchanged approximately \$1.7 billion of various outstanding notes and debentures due between 2028 and 2065 (Existing Notes) for \$701 million of 2.891% notes due April 6, 2036 (New 2036 Notes) and \$1.0 billion of 3.799% notes due April 6, 2071 (New 2071 Notes), plus cash consideration of approximately \$257 million in addition to \$14 million for accrued and unpaid interest on the Existing Notes. In accordance with ASC 470-50-40, *Debt-Modifications and Extinguishments-Derecognition*, this transaction was accounted for as a debt exchange, as the exchanged debt instruments are not considered to be substantially different. The cash consideration was recorded as an adjustment to the carrying value of debt, and the balance of the unamortized discount and issue costs from the Existing Notes is being amortized as an adjustment of interest expense over the terms of the new notes. No gain or loss was recognized as a result of the exchange. Costs related to the debt exchange that were payable to parties other than the debt holders totaled approximately \$13 million and were included in interest expense during 2021.

Credit Facilities – During 2022, we replaced our \$2.0 billion revolving credit facility, which was scheduled to expire on June 8, 2023, with a new \$2.0 billion facility that expires May 20, 2027 (the Facility). The Facility is based on substantially similar terms as those in the previous credit facility as described below. At December 31, 2022 2023, we had \$2.0 billion of credit available under our revolving credit facility, which is designated for general corporate purposes and supports the issuance of commercial paper. Credit facility withdrawals totaled \$0 during 2022 2023. Commitment fees and interest rates payable under the Facility are similar to fees and rates available to comparably rated, investment-grade borrowers. The Facility allows for borrowings at floating rates based on Term Secured Overnight Financing Rate (SOFR), plus a spread, depending upon credit ratings for our senior unsecured debt. The Facility, set to expire May 20, 2027, requires UPC to maintain an adjusted debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortization) coverage ratio.

The definition of debt used for purposes of calculating the adjusted debt-to-EBITDA coverage ratio includes, among other things, certain credit arrangements, finance leases, guarantees, unfunded and vested pension benefits under Title IV of ERISA, and unamortized debt discount and deferred debt issuance costs. At December 31, 2022 2023, the Company was in compliance with the adjusted debt-to-EBITDA coverage ratio, which allows us to carry up to \$46.9 \$44.4 billion of debt (as defined in the Facility), and we had \$35.1 \$34.3 billion of debt (as defined in the Facility) outstanding at that date. The Facility does not include any other financial restrictions, credit rating triggers (other than rating-dependent pricing), or any other provision that could require us to post collateral. The Facility also includes a \$150 million cross-default provision and a change-of-control provision.

During 2022 2023, we issued \$3.2 \$1.4 billion and repaid \$3.4 \$1.6 billion of commercial paper with maturities ranging from 7 11 to 88 64 days. As of December 31, 2022 2023 and 2021 2022, we had \$200 million \$0 and \$400 \$200 million of commercial paper outstanding, respectively. Our revolving credit facility supports our outstanding commercial paper balances, and, unless we change the terms of our commercial paper program, our aggregate issuance of commercial paper will not exceed the amount of borrowings available under the Facility.

Shelf Registration Statement and Significant New Borrowings – On February 3, 2022, the Board of Directors renewed its authorization for reauthorized the Company to issue up to \$12.0 billion of debt securities under the Company's current three-year shelf registration filed on February 10, 2021. This reauthorization replaces the original Board authorization, which had \$2.5 billion in remaining authority. Under our shelf registration, we may issue, from time to time, any combination of debt securities, preferred stock, common stock, or warrants for debt securities or preferred stock in one or more offerings.

During 2022, we issued the following unsecured, fixed-rate debt securities under our shelf registration:

Date	Description of Securities
February 14, 2022	\$1.25 billion of 4.75% Notes due February 14, 2026
	\$0.50 billion of 3.375% Notes due February 14, 2042
	\$1.25 billion of 3.500% Notes due February 14, 2053
	\$0.50 billion of 3.850% Notes due February 14, 2072
September 9, 2022	\$0.90 billion of 4.500% Notes due January 20, 2033
	\$0.60 billion of 4.950% Notes due September 9, 2052
	\$0.40 billion of 5.150% Notes due January 20, 2063

The net proceeds of the 4.950% Notes due September 9, 2052, will be used to finance or refinance, in whole or in part, new or existing eligible projects with environmental benefits. We used the net proceeds from all other offerings listed for general corporate purposes, including the repurchase of common stock pursuant to our share repurchase programs. All These debt securities listed include change-of-control provisions. At December 31, 2022, we had remaining authority to issue up to \$6.6 billion of debt securities under our shelf registration.

Receivables Securitization Facility – As of December 31, 2022, we recorded \$100 million and \$300 million, respectively, of borrowings under our Receivables Facility, as secured debt. (See further discussion of our receivables securitization facility "Receivables Securitization Facility" section in Note 10.)

15. Variable Interest Entities

We have entered into various lease transactions in which the structure of the leases contain variable interest entities (VIEs). These VIEs were created solely for the purpose of doing lease transactions (principally involving railroad equipment and facilities) and have no other activities, assets, or liabilities outside of the lease transactions. Within these lease arrangements, we have the right to purchase some or all of the assets at fixed prices. Depending on market conditions, fixed-price purchase options available in the leases could potentially provide benefits to us; however, these benefits are not expected to be significant.

We maintain and operate the assets based on contractual obligations within the lease arrangements, which set specific guidelines consistent within the railroad industry. As such, we have no control over activities that could materially impact the fair value of the leased assets. We do not hold the power to direct the activities of the VIEs and, therefore, do not control the ongoing activities that have a significant impact on the economic performance of the VIEs. Additionally, we do not have the obligation to absorb losses of the VIEs or the right to receive benefits of the VIEs that could potentially be significant to the VIEs.

We are not considered to be the primary beneficiary and do not consolidate these VIEs because our actions and decisions do not have the most significant effect on the VIE's performance and our fixed-price purchase options are not considered to be potentially significant to the VIEs. The future minimum lease payments associated with the VIE leases totaled \$958 million as of December 31, 2022, and are recorded as operating lease liabilities at present value in our Consolidated Statements of Financial Position.

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16. Leases

We lease certain locomotives, freight cars, and other property for use in our rail operations.

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The following are additional details related to our lease portfolio:

Millions	Classification	Dec. 31,		Dec. 31,	
		2022	2021	Classification	2023
Assets					

Operating leases	Operating lease assets	\$ 1,672	\$ 1,787	Operating lease assets	\$ 1,643	\$ 1,672
Finance leases	Properties, net [a]	310	366	Properties, net [a]	244	310
Total leased assets	Total leased assets	\$ 1,982	\$ 2,153	Total leased assets	\$ 1,887	\$ 1,982
Liabilities						
Current				Accounts payable and other current liabilities	\$ 355	\$ 331
Operating	Accounts payable and other current liabilities	\$ 331	\$ 330	Debt due within one year	49	67
Finance	Debt due within one year	67	92	Operating lease liabilities	1,245	1,300
Noncurrent				Debt due after one year	109	167
Operating	Operating lease liabilities	1,300	1,429	Total lease liabilities	\$ 1,758	\$ 1,865
Finance	Debt due after one year	167	244			
Total lease liabilities	Total lease liabilities	\$ 1,865	\$ 2,095			

[a] Finance lease assets are recorded net of accumulated amortization of \$658 million and \$687 million as of December 31, 2022 and 2021, respectively.

The lease cost components are classified as follows:

Millions	Dec 31, 2022	Dec 31, 2021	Dec 31, 2023	Dec 31, 2022
Operating lease cost [a]	\$ 338	\$ 303	\$ 369	\$ 338
Short-term lease cost	18	25	24	18
Variable lease cost	13	11	41	13
Finance lease cost				
Amortization of leased assets [b]	52	69	38	52
Interest on lease liabilities [c]	12	20	8	12
Net lease cost	\$ 433	\$ 428	\$ 480	\$ 433

[a] Operating lease cost is primarily reported in equipment and other rents in our Consolidated Statements of Income.

[b] Amortization of leased assets is reported in depreciation in our Consolidated Statements of Income.

[c] Interest on lease liabilities is reported in interest expense in our Consolidated Statements of Income.

The following table presents aggregate lease maturities as of December 31, 2022:

Millions	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total
2023	\$ 335	\$ 76	\$ 411			
2024	318	63	381	\$ 361	\$ 55	\$ 416
2025	321	44	365	375	42	417
2026	248	35	283	296	35	331
2027	188	30	218	237	30	267

After 2027	393	11	404			
2028				199	11	210
After 2028				300	-	300
Total lease payments	\$ 1,803	\$ 259	\$ 2,062	\$ 1,768	\$ 173	\$ 1,941
Less: Interest	172	25	197	168	15	183
Present value of lease liabilities	\$ 1,631	\$ 234	\$ 1,865	\$ 1,600	\$ 158	\$ 1,758

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The following table presents the weighted average remaining lease term and discount rate:

	Dec. 31,	2022	2023
Weighted-average remaining lease term (years)			
Operating leases		6.4	5.8
Finance leases		4.2	3.5
Weighted-average discount rate (%)			
Operating leases		3.3	3.6
Finance leases		4.7	4.5

The following table presents other information related to our operating and finance leases for the years ended December 31:

Millions	2022	2021	2023	2022
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	\$ 319	\$ 292	\$ 323	\$ 319
Investing cash flows from operating leases	31	27	33	31
Operating cash flows from finance leases	15	26	9	15
Financing cash flows from finance leases	91	106	65	91
Leased assets obtained in exchange for finance lease liabilities	-	-	-	-
Leased assets obtained in exchange for operating lease liabilities	173	442	\$ 241	\$ 173

17. Commitments and Contingencies

Asserted and Unasserted Claims – Various claims and lawsuits are pending against us and certain of our subsidiaries. We cannot fully determine the effect of all asserted and unasserted claims on our consolidated results of operations, financial condition, or liquidity. We have recorded a liability where asserted and unasserted claims are considered probable and where such claims can be reasonably estimated. We currently do not expect that any known lawsuits, claims, environmental costs, commitments, contingent liabilities, or guarantees will have a material adverse effect on our consolidated results of operations, financial condition, or liquidity after taking into account liabilities and insurance recoveries previously recorded for these matters.

In December 2019, we received a putative class action complaint under the Illinois Biometric Information Privacy Act, alleging violation due to the use of a finger scan system developed and managed by third parties. Union Pacific and the plaintiff are currently in the discovery phase. While we believe that we have strong defenses to the claims made in the complaint and will vigorously defend ourselves, there is no assurance regarding the ultimate outcome. Therefore, the outcome of this litigation is inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from this matter.

Personal Injury – The Federal Employers' Liability Act (FELA) governs compensation for work-related accidents. Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

Approximately 93% 95% of the recorded liability is related to asserted claims and approximately 7% 5% is related to unasserted claims at December 31, 2022 2023. Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to settle these claims may range from approximately \$361 \$383 million to \$397 \$494 million. We record an accrual at the low end of the range as no amount of loss within the range is more probable than any other. Estimates can vary over time due to evolving trends in litigation.

Our personal injury liability activity was as follows:

Millions	2022	2021	2020	2023	2022	2021
Beginning balance	\$ 325	\$ 270	\$ 265	\$ 361	\$ 325	\$ 270
Current year accruals	107	93	72	112	107	93
Changes in estimates for prior years	55	48	(3)	89	55	48
Payments	(126)	(86)	(64)	(179)	(126)	(86)
Ending balance at December 31	\$ 361	\$ 325	\$ 270	\$ 383	\$ 361	\$ 325
Current portion, ending balance at December 31	\$ 84	\$ 64	\$ 60	\$ 113	\$ 84	\$ 64

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Environmental Costs – We are subject to federal, state, and local environmental laws and regulations. We have identified 353333 sites where we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 3132 sites that are the subject of actions taken by the U.S. government, including 20 that are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

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Our environmental liability activity was as follows:

Millions	2022	2021	2020	2023	2022	2021
Beginning balance	\$ 243	\$ 233	\$ 227	\$ 253	\$ 243	\$ 233
Accruals	84	69	76	99	84	69
Payments	(74)	(59)	(70)	(107)	(74)	(59)
Ending balance at December 31	\$ 253	\$ 243	\$ 233	\$ 245	\$ 253	\$ 243
Current portion, ending balance at December 31	\$ 67	\$ 60	\$ 65	\$ 91	\$ 67	\$ 60

The environmental liability includes future costs for remediation and restoration of sites, as well as ongoing monitoring costs, but excludes any anticipated recoveries from third-parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws, and regulations. The ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs. Estimates of liability may vary over time due to changes in federal, state, and local laws governing environmental remediation. Current obligations are not expected to have a material adverse effect on our consolidated results of operations, financial condition, or liquidity.

Insurance – The Company has a consolidated, wholly-owned captive insurance subsidiary (the Captive), that provides insurance coverage for certain risks including general liability, property, cyber, and FELA claims and property coverage that are subject to reinsurance. The Captive entered into annual reinsurance treaty agreements that insure workers compensation, general liability, auto liability, and FELA risk. The Captive cedes a portion of its FELA exposure through the treaty and assumes a proportionate share of the entire risk. The Captive receives direct premiums, which are netted against the Company's premium costs in other expenses in the Consolidated Statements of Income. The treaty agreements provide for certain protections against the risk of treaty participants' non-performance, and we do not believe our exposure to treaty participants' non-performance is material at this time. We record both liabilities and reinsurance receivables using an actuarial analysis based on historical experience in our Consolidated Statements of Financial Position. Effective January 2019, the Captive insurance subsidiary no longer participates in the reinsurance treaty agreement. The Company established a trust in the fourth quarter of 2018 for the purpose of providing collateral as required under the reinsurance treaty agreement for prior years' participation.

Indemnities – Our maximum potential exposure under indemnification arrangements, including certain tax indemnifications, can range from a specified dollar amount to an unlimited amount, depending on the nature of the transactions and the agreements. Due to uncertainty as to whether claims will be made or how they will be resolved, we cannot reasonably determine the probability of an adverse claim or reasonably estimate any adverse liability or the total maximum exposure under these indemnification arrangements. We do not have any reason to believe that we will be required to make any material payments under these indemnity provisions.

18. Share Repurchase Programs

Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. As of December 31, 20222023, we repurchased a total of 16.1 million19.6 million shares of our common stock under the 2022 authorization. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

Our previous authorization, which was effective April 1, 2019, through March 31, 2022, was approved by our Board of Directors for up to 150 million shares of common stock. As of March 31, 2022, we repurchased a total of 83.3 million shares of our common stock under the 2019 authorization.

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The table below represents shares repurchased under repurchase programs during 2022 2023 and 2021 2022:

	Number of Shares Purchased		Average Price Paid [a]		Number of Shares Purchased		Average Price Paid [a]	
	2022	2021	2022	2021	2023	2022	2023	2022
First quarter [b]	11,014,201	6,691,421	\$ 249.95	\$ 209.50	2,908,703	11,014,201	\$ 203.19	\$ 249.95
Second quarter [c]	3,100,683	12,204,409	232.87	222.46	606,581	3,100,683	199.81	232.87
Third quarter [d]	9,490,339	8,604,239	221.52	210.31				
Third quarter					-	9,490,339	-	221.52
Fourth quarter	3,501,667	5,837,551	201.33	233.71	-	3,501,667	-	201.33
Total	27,106,890	33,337,620	\$ 231.76	\$ 218.69	3,515,284	27,106,890	\$ 202.61	\$ 231.76
Remaining number of shares that may be repurchased under current authority	Remaining number of shares that may be repurchased under current authority				83,907,311	Remaining number of shares that may be repurchased under current authority		80,392,027

[a] In the period of the final settlement, the average price paid under the accelerated share repurchase programs is calculated based on the total program value less the value assigned to the initial delivery of shares. The average price of the completed 2022 and 2021 accelerated share repurchase programs was \$248.32 and \$217.56, respectively. \$248.32.

[b] Includes 7,012,232 shares repurchased in 2022 under accelerated share repurchase programs.

[c] Includes an incremental 1,847,185 shares received upon final settlement in 2022 and 7,209,156 shares repurchased in 2021 under accelerated share repurchase programs.

[d] Includes an incremental 1,983,859 shares received upon final settlement in 2021 under accelerated share repurchase programs.

Management's assessments of market conditions and other pertinent factors guide the timing, manner, and volume of all repurchases. We expect to fund any share repurchases under this program through cash generated from operations, the sale or lease of various operating and non-operating properties, debt issuances, and cash on hand. Open market repurchases are recorded in treasury stock at cost, which includes any applicable commissions, fees, and fees. excise taxes.

Accelerated Share Repurchase Programs – The Company has established accelerated share repurchase programs (ASRs) with financial institutions to repurchase shares of our common stock. These ASRs have been structured so that at the time of commencement, we pay a specified amount to the financial institutions and receive an initial delivery of shares. Additional shares may be received at the time of settlement. The final number of shares to be received is based on the volume weighted average price of the Company's common stock during the ASR term, less a discount and subject to potential adjustments pursuant to the terms of such ASR.

On February 18, 2022, the Company received 7,012,232 shares of its common stock repurchased under ASRs for an aggregate of \$2.2 billion. Upon settlement of these ASRs in the second quarter of 2022, we received 1,847,185 additional shares.

On May 26, 2021, the Company received 7,209,156 shares of its common stock repurchased under ASRs for an aggregate of \$2.0 billion. Upon settlement of these ASRs in the third quarter of 2021, we received 1,983,859 additional shares.

ASRs are accounted for as equity transactions, and at the time of receipt, shares are included in treasury stock at fair market value as of the corresponding initiation or settlement date. The Company reflects shares received as a repurchase of common stock in the weighted average common shares outstanding calculation for basic and diluted earnings per share.

19. Related Parties

UPRR and other North American railroad companies jointly own TTX Company (TTX). UPRR has a 37.03% economic and voting interest in TTX while the other North American railroads own the remaining interest. In accordance with ASC 323 *Investments - Equity Method and Joint Venture*, UPRR applies the equity method of accounting to our investment in TTX.

TTX is a rail car pooling company that owns rail cars and intermodal wells to serve North America's railroads. TTX assists railroads in meeting the needs of their customers by providing rail cars in an efficient, pooled environment. All railroads have the ability to utilize TTX rail cars through car hire by renting rail cars at stated rates.

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UPRR had \$1.7 \$1.8 billion and \$1.6 \$1.7 billion recognized as investments related to TTX in our Consolidated Statements of Financial Position as of December 31, 2022 2023 and 2021 2022, respectively. TTX car hire expenses of \$402 399 million in 2022 2023, \$375 \$402 million in 2021 2022, and \$375 million in 2020 2021 are included in equipment and other rents in our Consolidated Statements of Income. In addition, UPRR had accounts payable to TTX of \$68 60 million and \$57 \$68 million at December 31, 2022 2023 and 2021 2022, respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer (CEO) and Executive Vice President and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of the end of the period covered by this report, the Corporation's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Additionally, the CEO and CFO determined that there were no changes to the Corporation's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Union Pacific Corporation and Subsidiary Companies (the Corporation) is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). The Corporation's internal control system was designed to provide reasonable assurance to the Corporation's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Corporation's management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework* (2013). Based on our assessment, management believes that, as of December 31, 2022 December 31, 2023, the Corporation's internal control over financial reporting is effective based on those criteria.

The Corporation's independent registered public accounting firm has issued an attestation report on the effectiveness of the Corporation's internal control over financial reporting. This report appears on the next page.

February 9, 2023 8, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Union Pacific Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Union Pacific Corporation and Subsidiary Companies (the "Corporation") as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended **December 31, 2022** **December 31, 2023**, of the Corporation and our report dated **February 10, 2023** **February 9, 2024**, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

February **10, 2023** **9, 2024**

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Item 9B. Other Information

None. On October 24, 2023, Elizabeth F. Whited, President, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 7,500 shares of Union Pacific Corporation common stock, of which 7,500 are to be acquired upon the exercise of vested stock options, between February 14, 2024, and April 18, 2024, subject to certain conditions.

On December 15, 2023, Todd M. Rynaski, Senior Vice President and Chief Accounting, Risk, and Compliance Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 5,271 shares of Union Pacific Corporation common stock, of which 5,271 are to be acquired upon the exercise of vested stock options, between March 15, 2024, and September 16, 2024, subject to certain conditions.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

(a) Directors of Registrant.

Information as to the names, ages, positions, and offices with UPC, terms of office, periods of service, business experience during the past five years, and certain other directorships held by each director or person nominated to become a director of UPC is set forth in the Election of Directors segment of the Proxy Statement and is incorporated herein by reference.

Information concerning our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is set forth in the Audit Committee segment of the Proxy Statement and is incorporated herein by reference.

(b) Executive Officers of Registrant.

Information concerning the executive officers of UPC and its subsidiaries is presented in Part I of this report under Information About Our Executive Officers and Principal Executive Officers of Our Subsidiaries.

(c) Delinquent Section 16(a) Reports.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth in the **Delinquent Section 16(a) Beneficial Ownership Reporting Compliance Reports** segment of the Proxy Statement and is incorporated herein by reference.

(d) Code of Ethics for Chief Executive Officer and Senior Financial Officers of Registrant.

The Board of Directors of UPC has adopted the UPC Code of Ethics for the Chief Executive Officer and Senior Financial Officers (the Code). A copy of the Code may be found on the Internet at our website www.up.com/investor/governance. We intend to disclose any amendments to the Code or any waiver from a provision of the Code on our website.

Item 11. Executive Compensation

Information concerning compensation received by our directors and our named executive officers is presented in the Compensation Discussion and Analysis, Summary Compensation Table, Grants of Plan-Based Awards in Fiscal Year **2022, 2023**, Outstanding Equity Awards at **2022 2023** Fiscal Year-End, Option Exercises and Stock Vested in Fiscal Year **2022, 2023**, Pension Benefits at **2022 2023** Fiscal Year-End, Nonqualified Deferred Compensation at **2022 2023** Fiscal Year-End, Potential Payments Upon Termination or Change in Control and Director Compensation in Fiscal Year **2022 2023** segments of the Proxy Statement and is incorporated herein by reference. Additional information regarding compensation of directors, including Board committee members, is set forth in the By-Laws of UPC and the Stock Unit Grant and Deferred Compensation Plan for the Board of Directors, both of which are included as exhibits to this report. Information regarding the Compensation and Benefits Committee is set forth in the Compensation Committee **Interlocks and Insider Participation and Compensation Committee Report segments** segment of the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information as to the number of shares of our equity securities beneficially owned by each of our directors and nominees for director, our named executive officers, our directors and executive officers as a group, and certain beneficial owners is set forth in the Security Ownership of Certain Beneficial Owners and Management segment of the Proxy Statement and is incorporated herein by reference.

The following table summarizes the equity compensation plans under which UPC common stock may be issued as of **December 31, 2022** **December 31, 2023**:

	(a)	(b)	(c)	(a)	(b)	(c)
--	-----	-----	-----	-----	-----	-----

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,337,851 [1]	\$ 169.63 [2]	33,185,971 [2]	2,438,300 [1]	\$ 147.06 [1]	31,979,909 [2]
Total	2,337,851	\$ 169.63	33,185,971	2,438,300	\$ 147.06	31,979,909

[1] Includes 364,038 366,046 retention units that do not have an exercise price. Does not include 1,022,053 954,405 retention shares that have been issued and are outstanding.

[2] Does not include the retention units or retention shares described above in footnote 1.

[3] Includes 9,635,719 shares available for issuance under the 2021 Employee Stock Purchase Plan, 22,176,052 shares available for issuance under the 2021 Stock Incentive Plan and 1,374,200 shares available for issuance under the 2000 Directors Plan. [1].

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information on related transactions is set forth in the **Certain Relationships** **Related Party Policy** and **Related Transactions and Compensation Committee Interlocks and Insider Participation segments** **Procedures** segment of the Proxy Statement and is incorporated herein by reference. We do not have any relationship with any outside third-party that would enable such a party to negotiate terms of a material transaction that may not be available to, or available from, other parties on an arm's-length basis.

Information regarding the independence of our directors is set forth in the Director Independence segment of the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information concerning the fees billed by our independent registered public accounting firm and the nature of services comprising the fees for each of the two most recent fiscal years in each of the following categories: (a) audit fees, (b) audit-related fees, (c) tax fees, and (d) all other fees, is set forth in the Independent Registered Public Accounting Firm's Fees and Services segment of the Proxy Statement and is incorporated herein by reference.

Information concerning our Audit Committee's policies and procedures pertaining to pre-approval of audit and non-audit services rendered by our independent registered public accounting firm is set forth in the **Pre-approval of Audit Committee and Non-Audit Services Policy** segment of the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Financial Statements, Financial Statement Schedules, and Exhibits:

(1) Financial Statements

The financial statements filed as part of this filing are listed on the index to the Financial Statements and Supplementary Data, Item 8, on page 41 40.

(2) Financial Statement Schedules

Schedules have been omitted because they are not applicable or not required or the information required to be set forth therein is included in the Financial Statements and Supplementary Data, Item 8, or notes thereto.

(3) Exhibits

Exhibits are listed in the exhibit index beginning on page [77-76](#). The exhibits include management contracts, compensatory plans and arrangements required to be filed as exhibits to the Form 10-K by Item 601 (10) (iii) of Regulation S-K.

UNION PACIFIC CORPORATION

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
<u>Filed with this Statement</u>	
10(a)†	Form of Performance Stock Unit Agreement dated February 9, 2023 February 8, 2024.
10(b)†	Form of Non-Qualified Stock Option Agreement for Executives dated February 9, 2023 February 8, 2024.
10(c)†	Performance Stock Unit Agreement dated February 8, 2024, for V. James Vena.
10(d)†	Non-Qualified Option Agreement dated February 8, 2024, for V. James Vena.
10(e)†	Supplemental Pension Plan for Officers and Managers (409A Non-Grandfathered Component) of Union Pacific Corporation and Affiliates, as amended November 1, 2023.
21	List of the Corporation's significant subsidiaries and their respective states of incorporation.
23	Independent Registered Public Accounting Firm's Consent.
24	Powers of attorney executed by the directors of UPC.
31(a)	Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Lance M. Fritz, V. James Vena.
31(b)	Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Jennifer - Jennifer L. Hamann.
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Lance M. Fritz, V. James Vena and Jennifer L. Hamann.
101	The following financial and related information from Union Pacific Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (filed with the SEC on February 10, 2023 February 9, 2024), formatted in Inline Extensible Business Reporting Language (iXBRL) includes (a) Consolidated Statements of Income for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, (b) Consolidated Statements of Comprehensive Income for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, (c) Consolidated Statements of Financial Position at December 31, 2022 December 31, 2023 and 2021, 2022, (d) Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, (e) Consolidated Statements of Changes in Common Shareholders' Equity for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, and (f) the Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File, formatted in Inline XBRL (contained in Exhibit 101).
<u>Incorporated by Reference</u>	
3(a)	Restated Articles of Incorporation of UPC, as amended and restated through June 27, 2011, and as further amended May 15, 2014, are incorporated herein by reference to Exhibit 3(a) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
3(b)	By-Laws of UPC, as amended, effective November 19, 2015, are incorporated herein by reference to Exhibit 3.2 to the Corporation's Current Report on Form 8-K dated November 19, 2015.

4(a) [Description of securities registered under Section 12 of the Exchange Act is incorporated herein by reference to Exhibit 4\(a\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.](#)

4(b) [Indenture, dated as of December 20, 1996, between UPC and Wells Fargo Bank, National Association, as successor to Citibank, N.A., as Trustee, is incorporated herein by reference to Exhibit 4.1 to UPC's Registration Statement on Form S-3 \(No. 333-18345\).](#)

4(c) [Indenture, dated as of April 1, 1999, between UPC and The Bank of New York, as successor to JP Morgan Chase Bank, formerly The Chase Manhattan Bank, as Trustee, is incorporated herein by reference to Exhibit 4.2 to UPC's Registration Statement on Form S-3 \(No. 333-75989\).](#)

4(d) [Form of 2.800% 4.750% Note due 2032 2026 is incorporated by reference to Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated February 14, 2022 February 21, 2023.](#)

4(e) [Form of 3.375% 4.950% Note due 2042 2053 is incorporated by reference to Exhibit 4.2 to the Corporation's Current Report on Form 8-K dated February 14, 2022.](#)

4(f) [Form of 3.500% Note due 2053 is incorporated by reference to Exhibit 4.3 to the Corporation's Current Report on Form 8-K dated February 14, 2022.](#)

4(g) [Form of 3.850% Note due 2072 is incorporated by reference to Exhibit 4.4 to the Corporation's Current Report on Form 8-K dated February 14, 2022.](#)

4(h) [Form of 4.500% Note due 2033 is incorporated herein by reference to Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated September 9, 2022.](#)

4(i) [Form of 4.950% Note due 2052 is incorporated herein by reference to Exhibit 4.2 to the Corporation's Current Report on Form 8-K dated September 9, 2022.](#)

4(j) [Form of 5.150% Note due 2063 is incorporated herein by reference to Exhibit 4.3 to the Corporation's Current Report on Form 8-K dated September 9, 2022, February 21, 2023.](#)

Certain instruments evidencing long-term indebtedness of UPC are not filed as exhibits because the total amount of securities authorized under any single such instrument does not exceed 10% of the Corporation's total consolidated assets. UPC agrees to furnish the Commission with a copy of any such instrument upon request by the Commission.

10(c) 10(f)† [Transition and Separation Agreement between the Corporation, the Railroad and Lance M. Fritz dated August 11, 2023, is incorporated by reference to Exhibit 10.1 to the Corporation's Current Report on Form 8-K dated August 11, 2023.](#)

10(g)† [Union Pacific Corporation Key Employee Continuity Plan, as amended December 10, 2021, is incorporated herein by reference to Exhibit 10\(c\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2021.](#)

10(d) 10(h)† [Supplemental Thrift Plan \(409A Grandfathered Component\) of Union Pacific Corporation, as amended March 1, 2013, is incorporated herein by reference to Exhibit 10\(d\) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.](#)

10(e) 10(i)† [Supplemental Thrift Plan \(409A Non-Grandfathered Component\) of Union Pacific Corporation, as amended January 1, 2018, is incorporated herein by reference to Exhibit 10\(d\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2017.](#)

10(f) 10(j)† [Supplemental Pension Plan for Officers and Managers \(409A Grandfathered Component\) of Union Pacific Corporation and Affiliates, as amended February 1, 2013, and March 1, 2013 is incorporated herein by reference to Exhibit 10\(f\) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.](#)

10(g)† [Supplemental Pension Plan for Officers and Managers \(409A Non-Grandfathered Component\) of Union Pacific Corporation and Affiliates, as amended December 9, 2020, is incorporated herein by reference to Exhibit 10\(d\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2020.](#)

10(h) 10(k)† [Deferred Compensation Plan \(409A Grandfathered Component\) of Union Pacific Corporation, as amended March 1, 2013, is incorporated herein by reference to Exhibit 10\(b\) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.](#)

10(i) 10(l)† [Deferred Compensation Plan \(409A Non-Grandfathered Component\) of Union Pacific Corporation, as amended December 9, 2020, is incorporated herein by reference to Exhibit 10\(c\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2020.](#)

10(j) 10(m)†	<u>Union Pacific Corporation 2000 Directors Plan, effective as of April 21, 2000, as amended November 16, 2006, January 30, 2007 and January 1, 2009 is incorporated herein by reference to Exhibit 10(j) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.</u>
10(k) 10(n)†	<u>Union Pacific Corporation Stock Unit Grant and Deferred Compensation Plan for the Board of Directors (409A Non-Grandfathered Component), effective as of January 1, 2009 is incorporated herein by reference to Exhibit 10(k) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.</u>
10(l) 10(o)†	<u>Union Pacific Corporation Stock Unit Grant and Deferred Compensation Plan for the Board of Directors (409A Grandfathered Component), as amended and restated in its entirety, effective as of January 1, 2009 is incorporated herein by reference to Exhibit 10(l) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.</u>
10(m)†	<u>UPC 2004 Stock Incentive Plan amended March 1, 2013, is incorporated herein by reference to Exhibit 10(g) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.</u>
10(n)†	<u>Union Pacific Corporation Policy for Recoupment of Incentive Compensation, effective January 1, 2020 is incorporated herein by reference to Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.</u>
10(o) 10(p)†	<u>Union Pacific Corporation 2013 Stock Incentive Plan, effective May 16, 2013, as amended effective as of January 1, 2020 is incorporated herein by reference to Exhibit 10(d) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.</u>
10(p) 10(q)†	<u>Union Pacific Corporation Executive Incentive Plan, effective May 5, 2005, amended and restated effective January 1, 2020 is incorporated herein by reference to Exhibit 10(e) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.</u>
10(q) 10(r)†	<u>Union Pacific Corporation 2021 Stock Incentive Plan, effective as of May 13, 2021 is incorporated by reference to Exhibit 99.1 to the Corporation's Form S-8 dated May 25, 2021.</u>
10(r) 10(s)	<u>Amended and Restated Registration Rights Agreement, dated as of July 12, 1996, among UPC, UP Holding Company, Inc., Union Pacific Merger Co. and Southern Pacific Rail Corporation (SP) is incorporated herein by reference to Annex J to the Joint Proxy Statement/Prospectus included in Post-Effective Amendment No. 2 to UPC's Registration Statement on Form S-4 (No. 33-64707).</u>
10(s) 10(t)	<u>Agreement, dated September 25, 1995, among UPC, UPRR, Missouri Pacific Railroad Company (MPRR), SP, Southern Pacific Transportation Company (SPT), The Denver & Rio Grande Western Railroad Company (D&RGW), St. Louis Southwestern Railway Company (SLSRC) and SPCSL Corp. (SPCSL), on the one hand, and Burlington Northern Railroad Company (BN) and The Atchison, Topeka and Santa Fe Railway Company (Santa Fe), on the other hand, is incorporated by reference to Exhibit 10.11 to UPC's Registration Statement on Form S-4 (No. 33-64707).</u>
10(t) 10(u)	<u>Supplemental Agreement, dated November 18, 1995, between UPC, UPRR, MP RR, SP, SPT, D&RGW, SLSRC and SPCSL, on the one hand, and BN and Santa Fe, on the other hand, is incorporated herein by reference to Exhibit 10.12 to UPC's Registration Statement on Form S-4 (No. 33-64707).</u>
10(u) 10(v)†	<u>Form of Non-Qualified Stock Option Agreement for Executives is incorporated herein by reference to Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2013.</u>
10(v)†	<u>Form of 2020 Long Term Plan Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.</u>
10(w)†	<u>Form of 2021 Long Term Plan Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2020.</u>
10(x)†	<u>Form of 2022 Long Term Plan Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2021.</u>
10(y)†	<u>Form of 2023 Long Term Plan Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2022.</u>

10(y) 10(z)†

[Executive Incentive Plan \(2005\)](#) [Deferred Compensation Program, dated December 21, 2005 is incorporated herein by reference to Exhibit 10\(g\) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.](#)

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[Union Pacific Corporation Policy for Recoupment of Certain Compensation, amended and restated effective October 2, 2023, is incorporated by reference to Exhibit 10\(a\) to the Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.](#)

† Indicates a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this [10th 9th](#) day of February, [2023, 2024](#).

UNION PACIFIC CORPORATION

UNION PACIFIC CORPORATION

By

/s/ V. James Vena

V. James Vena,

/s/ Lance M. Fritz

Lance M. Fritz,

Chief Executive Officer

Chairman, President, and

Chief Executive Officer

Union Pacific Corporation

By

Union Pacific Corporation

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this [10th 9th](#) day of February, [2023, 2024](#), by the following persons on behalf of the registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER

AND DIRECTOR:

By

/s/ Lance M. Fritz V. James Vena

Lance M. Fritz,

Chairman, President, and V. James Vena,

Chief Executive Officer

Union Pacific Corporation

PRINCIPAL FINANCIAL OFFICER:

By

/s/ Jennifer L. Hamann

Jennifer L. Hamann

Executive Vice President and

Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER:

By /s/ Todd M. Rynaski
Todd M. Rynaski,
Senior Vice President and
Chief Accounting, Risk, and
Compliance Officer

DIRECTORS:

William J. DeLaney*

Jane H. Lute*

Michael R. McCarthy*

David B. Dillon*

Michael Doyle R. McCarthy* Simons*

Sheri H. Edison*

Jose H. Villarreal* John K. Tien*

Teresa M. Finley*

Christopher J. Williams* John P. Wiegoff*

Deborah C. Hopkins*

Christopher J. Williams*

Jane H. Lute*

* By /s/ Craig V. Richardson

Craig V. Richardson, Attorney-in-fact

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Exhibit 10(a)

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
PERFORMANCE STOCK UNITS

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the number of Stock Units specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan"), the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and described in this Grant Notice, and the Union Pacific Corporation Long Term Plan (the "Long Term Plan") approved and adopted by the Compensation and Benefits Committee of the Company's Board of Directors (the "Committee"), and the Policy for Recoupment of **Incentive Certain** Compensation, each as amended from time to time. In addition, if you become eligible for and entitled to severance benefits under a broad based severance pay policy of the Company that include waiver of the continuous employment requirement applicable to the Stock Units (the "Severance Policy"), the Award also shall be subject to the terms of such Severance Policy.

Each Stock Unit subject to this Award represents the right to receive one share of the Company's common stock, par value \$2.50 (the "Common Stock"), subject to the conditions set forth in this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan. This Award is granted pursuant to the Plan and the Long Term Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Date: February 9, 2023 8, 2024

Grant Number:

Target Number of Stock Units subject to the Award:

The maximum number of stock units subject to the award is two times the amount shown. The participant is eligible to receive up to the maximum number of stock units in accordance with the program design in the Long Term Plan Summary. The actual number of shares paid, if any, depends on the achievement level of the applicable performance criteria.

Restriction Period: 3 years

Restriction Period Commencement Date:	February 9, 2023	8, 2024
Restriction Period Termination Date:	February 9, 2026	8, 2027

By electronically accepting this Award, you acknowledge that you have received and read, and agree that this Award shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan (including, but not limited to, the Committee's discretionary authority under the Long Term Plan to determine the number of Stock Units payable with respect to the Award) and, if applicable, the Severance Policy (including, but not limited to, the Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of **Incentive Certain** Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Stock Units via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL **FORFEIT** THE PERFORMANCE STOCK UNITS THAT ARE THE SUBJECT OF THIS AWARD.

UNION PACIFIC CORPORATION
STANDARD TERMS AND CONDITIONS FOR
PERFORMANCE STOCK UNITS

These Standard Terms and Conditions apply to the Award of performance stock units granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended from time to time (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the performance stock units shall be subject to the terms of the Plan and the Long-Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of **Incentive Certain** Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary. Additionally, for purposes of these Standard Terms and Conditions, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the Award and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of this Award:

PERFORMANCE STOCK UNITS

1. TERMS OF PERFORMANCE STOCK UNITS

Union Pacific Corporation, a Utah corporation (the "Company"), has granted to you an award of a target number of performance stock units that may be earned at between 0% and 200% of the specified target level (the "Award" or the "Stock Units") specified in the Grant Notice. Each Stock Unit represents the right to receive (i) one share of the Company's common stock, \$2.50 par value per share (the "Common Stock") and (ii) a payment in cash equal to the amount of dividends that would have been payable on one share of Common Stock had you owned such Common Stock from the Grant Date specified in the Grant Notice through the payment date for such Stock Units ("Dividend Equivalent Payments"), in each case to the extent that the applicable Performance Criteria described below have been satisfied. The Award is subject to the terms and conditions set forth in the Grant Notice, these Standard Terms and Conditions, the Plan, the Long Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of **Incentive Certain** Compensation, each as amended from time to time.

2. VESTING OF PERFORMANCE STOCK UNITS

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable until the end of the Restriction Period as set forth in the Grant Notice (the "Restriction Period Termination Date"), unless otherwise provided under these Standard Terms and Conditions and, for the avoidance of doubt, specifically subject to Section 3 hereof. After the end of the Restriction Period, subject to your continued employment with the Company through the Restriction Period Termination Date and to termination or acceleration as provided in these Standard Terms and Conditions, the Plan, the Long Term Plan and,

if applicable, the Severance Policy, and to the extent certified by the Committee as described below, the Award (including related Dividend Equivalent Payments) shall become vested as of the Restriction Period Termination Date with respect to that number of Stock Units determined by the Committee to be paid pursuant to the Award. Unless the Committee shall determine otherwise, a period in which you are on a leave of absence during the Restriction Period in accordance with a leave of absence policy adopted by the Company shall count toward satisfaction of the Restriction Period.

3. PERFORMANCE CRITERIA

The "Performance Criteria" are average annual Return on Invested Capital ("ROIC") and relative Operating Income Growth ("OIG"). The definition and calculation of annual ROIC and relative OIG shall be determined in accordance with the Long-Term Plan.

You may earn Stock Units at the conclusion of the Restriction Period (or such earlier time as may be provided in Section 6) based on the Company's satisfaction of the Performance Criteria in accordance with the ROIC targets and payout schedule and the relative OIG targets and payout schedule approved by the Committee, as determined and certified by the Committee (or the Committee's delegate) in its sole discretion (the "Certification Date"). To the extent certified by the Committee, you may earn up to two times the Stock Unit Target Award as shown on the Grant Notice based on the average of all three fiscal years **(2023, 2024, 2025 and 2026)** of ROIC performance achieved and the Company's relative OIG percentile ranking (which is based on the Company's OIG performance over the three fiscal year period as compared to the OIG performance over that period of the constituent companies of the S&P 100 Industrials Index and Class I Railroads as set forth in the Long Term Plan), as determined and certified by the Committee (or the Committee's delegate) in its sole discretion. Notwithstanding the foregoing, the Committee retains the discretion under the Long-Term Plan to determine the number of Stock Units payable with respect to your Award.

4. DIVIDEND EQUIVALENT PAYMENTS

You are not entitled to receive cash dividends on the Stock Units, but will receive Dividend Equivalent Payments in an amount equal to the value of the cash dividends that would have been paid (based on the record date for such dividends) on the number of shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria as if such shares had been outstanding between the Grant Date and the payment date of such shares of Common Stock. Dividend Equivalent Payments shall not be adjusted for interest, earnings or assumed reinvestment. Except as provided in the immediately following paragraph, Dividend Equivalent Payments shall be paid to you at the time the earned shares of Common Stock to which those Dividend Equivalent Payments relate are delivered (or would be delivered in the absence of a deferral election made by you as described in Section 6(vii)) under Section 6(i) – (vi), as applicable. Distribution of Dividend Equivalent Payments shall be subject to the Company's collection of all tax withholding obligations applicable to such distribution. No Dividend Equivalent Payment shall be paid or distributed on Stock Units (or shares underlying the Stock Units) that are forfeited or that otherwise do not vest and are not issued or issuable under the Award.

If you have elected to defer receipt of earned Stock Units in accordance with the terms of the Deferred Compensation Plan of Union Pacific Corporation (the "Deferred Compensation Plan"), Dividend Equivalent Payments with respect to such earned and deferred Stock Units which relate to dividends paid on and after the date of the deferral of such Stock Units (i.e., the date that the Stock Units would have been payable to you under the Plan had such Stock Units not been deferred under the Company's Deferred Compensation Plan) shall be credited as part of the Award Account (as defined in the Deferred Compensation Plan) under the Company's Deferred Compensation Plan, and shall be deferred for payment at the same time as the Award Account is paid under the terms of the Company's Deferred Compensation Plan.

Notwithstanding the foregoing, the Company may delay payment of a Dividend Equivalent Payment as described in Section 6(viii) hereof.

5. RESTRICTIONS

Unless provided otherwise by the Committee, the following restrictions apply to the Stock Units:

- (i) You shall be entitled to delivery of the shares of Common Stock underlying the Stock Units only as specified in Section 6 hereof;
- (ii) All of the Stock Units shall be forfeited and all of your rights to such Stock Units and the right to receive Common Stock (and related Dividend Equivalent Payments) shall terminate without further obligation on the part of the Company in the event of your Separation from Service with the Company without having a right to delivery of shares of Common Stock under Section 6 hereof; and

(iii) Any Stock Units not earned as of the Restriction Period Termination Date shall be forfeited and all of your rights to such Stock Units, including any Dividend Equivalent Payments, shall terminate without further obligation on the part of the Company.

6. ACCELERATION/LAPSE OF RESTRICTION PERIOD

Unless determined otherwise by the Committee and subject to Sections 6(vii) and 6(viii) hereof, the Stock Units shall be treated as follows:

(i) Following the end of the Restriction Period and provided you have remained continuously employed by the Company through the Restriction Period Termination Date and absent any Change of Control before the Restriction Period Termination Date in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(i) shall be made to you within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date.

(ii) If you: (A) have a Separation from Service with the Company due to (1) death, or (2) Retirement (as such term is defined below in this Section 6(ii)) (including a Separation from Service for the reason described in Section 6(v) hereof on or after the date you satisfy the age and service criteria for Retirement); or (B) are determined to be disabled under the provisions of an applicable long-term disability plan of the Company ("Disability") (each a "Lapse Event"), prior to the Restriction Period Termination Date and prior to a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, you, your estate or your beneficiary, as applicable (each a "Payee"), shall be entitled to receive shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the average of all three fiscal years (2023, 2024, 2025 and 2025) of the applicable ROIC and relative OIG performance achieved, prorated based on the number of fiscal years in the Restriction Period during which you remained continuously employed by the Company until September 30th of that year (e.g., if your Lapse Event occurs on or after September 30, 2023 September 30, 2024, then the Payee would be entitled to receive payment for 33 1/3% of the earned Stock Units; if your Lapse Event occurs on or after September 30, 2024 September 30, 2025, then the Payee would be entitled to receive payment for 66 2/3% of the earned Stock Units; and if your Lapse Event occurs on or after September 30, 2025 September 30, 2026, then the Payee would be entitled to receive payment for 100% of the earned Stock Units). The payment of the Stock Units earned under this Section 6(ii) shall be made within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date. The Stock Units paid in accordance with this Section 6(ii) remain subject to the covenants contained in these Standard Terms and Conditions. If you have a Lapse Event and subsequently return to employment with the Company before the end of the Restriction Period, you will not be eligible to earn additional Stock Units beyond those described in this Section 6(ii). "Retirement" shall mean a Separation from Service after having attained age 62 with at least 10 years of vesting service. For this purpose, vesting service shall be calculated by applying the rules for determining "Vesting Service" under the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates ("UPC Pension Plan"), regardless of whether you were ever a participant in the UPC Pension Plan.

(iii) Upon the occurrence of a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units and such Change in Control occurs prior to both your Separation from Service for any reason and the Restriction Period Termination Date, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. No additional Stock Units granted as part of the Award may be earned following the Change in Control. Shares of Common Stock to which you are entitled pursuant to this Section 6(iii) shall be delivered as soon as administratively practicable following the date on which the Change in Control occurs, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Change in Control occurs.

(iv) Except as provided in Section 6(v) hereof, in the event you have a Separation from Service with the Company prior to both you having satisfied the age and service criteria for Retirement and the Restriction Period Termination Date and, as a result of such Separation from Service, you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include waiver of the continuous employment requirement applicable to the Stock Units, shares of Common Stock equal to the number or portion of the Stock Units determined under such Severance Policy, which are earned (as determined by the Committee) based on achievement of the Performance Criteria through the end of the fiscal year 2023, 2024, 2025 or 2025 2026 (or portion thereof), as established under the Severance Policy, and for which the continuous employment requirement has been waived under the Severance Policy shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(iv) shall be made at the time designated

under the Severance Policy, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(v) If you have not satisfied the age and service criteria for Retirement and have a Separation from Service prior to the Restriction Period Termination Date because your employment is involuntarily terminated by the Company (other than a termination as a result of your Disability, cause or gross misconduct as determined by the Committee), within twenty-four (24) months following a Change in Control, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(v) shall be made as soon as administratively practicable following your Separation from Service, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(vi) Except as otherwise provided in this Section 6, all of the Stock Units shall be forfeited and all of your rights to such Stock Units shall terminate without further obligation on the part of the Company unless you remain in the continuous employment of the Company (such continuous employment shall, for this purpose, include a period of time during which you are absent from active employment in accordance with a leave of absence policy adopted by the Company) until the earlier of the Restriction Period Termination Date or a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units. Notwithstanding the foregoing, the Committee may, if it finds that the circumstances in the particular case so warrant and subject to your satisfaction of any conditions the Company may require, allow you, even if you cease to be so continuously employed and have a Separation from Service prior to the earlier of the Restriction Period Termination Date or such Change in Control, to vest in some or all of the Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of the fiscal year ending prior to the year in which such Separation from Service occurs. In such event, the payment of the Stock Units under this Section 6(vi) shall be made as soon as administratively practicable following the date on which the Committee authorizes such payment, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which your Separation from Service occurs. The Stock Units paid in accordance with this Section 6(vi) remain subject to the covenants contained in these Standard Terms and Conditions.

(vii) Notwithstanding the foregoing, you may elect to defer receipt of payment of shares underlying the Stock Units to the extent and according to the terms, if any, provided by the Deferred Compensation Plan. If you so elect to defer payment of shares underlying the Stock Units, such payments will be made in accordance with the Deferred Compensation Plan and with any payments of Dividend Equivalent Payments made in accordance with the provisions of Section 4.

(viii) Notwithstanding the foregoing, the Company shall not be obligated to deliver any shares of Common Stock during any period when the Company determines that the delivery of shares hereunder would: (A) violate any federal, state or other applicable laws and/or may issue shares subject to any restrictive legend that, as determined by the Company's counsel, is necessary to comply with securities or other regulatory requirements; or (B) result in the reduction or elimination of the Company's deduction under Internal Revenue Code section 162(m) with respect to such delivery of shares. Furthermore, the date on which shares are delivered to you (and any Dividend Equivalent Payment thereon) may include a delay to provide the Company such time as it determines appropriate to calculate and certify the extent to which the Performance Criteria were satisfied and to calculate and address tax withholding and/or other administrative matters; provided, however, that delivery of shares of Common Stock underlying the Stock Units (including any Dividend Equivalent Payments) for Stock Units that are determined to be exempt from the requirements of Internal Revenue Code § 409A shall in all events be made at a time that satisfies the "short-term deferral" exception described in Treas. Reg. section 1.409A-1(b)(4) and for Stock Units subject to Internal Revenue Code section 409A shall in all events be made at a time that satisfies Treas. Reg. 1.409A-2(b)(7).

7. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not being known to the general public or to others who could obtain economic value from its disclosure or use, which the Company takes reasonable efforts to protect the secrecy of ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you developed and/or obtained, or have had and will in the future continue to have access to one or more of the following types of Confidential Information or Trade Secrets: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would constitute gross misconduct.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the "Sr. HR Officer"), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets.

D. PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section (G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company's Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of one (1) year after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E. NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, **and/or and/or** access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section (G).

F. NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, **and/or and/or** access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, without prior written consent of the Sr. HR Officer.

G. NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia. Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section (G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H. SPECIFIC STATE LAW LIMITATIONS

This Section 7 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraph paragraphs above applies apply to you in full.

(i) For employees based in California:

(a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.

(b) Sections (F) and (G) does do not apply to you.

(ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$112,500. As of 2024, this threshold is at least \$101,250 in 2022 and at least \$112,500 in 2023, scheduled to be \$123,750. If your annualized cash compensation does exceed these thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$67,500. As of 2024, this threshold is scheduled to be \$74,250.

(iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to \$150,000, the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2023, this threshold was \$150,000, and the District of Columbia may announce a higher threshold for 2024. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee."

(iv) For employees based in Illinois, Section (G) does not apply to you unless (a) you earn more than \$75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you unless you (a) earn more than \$45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19

pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.

(v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 7 therefore applies in every parish and municipality in the State.

(v) (vi) For employees based in Minnesota, Section (G) does not apply to you.

(vii) For employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.

(vi) (viii) For employees based in North Dakota, Sections (E) and (G) do not apply to you.

(vii) (ix) For employees based in Oklahoma:

(a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.

(b) Sections (F) and (G) do not apply to you.

(viii) (x) For employees based in the State of Washington, Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed \$107,301.04 as the threshold established by the Washington Department of 2022 Labor and exceed \$116,593.18 as Industries pursuant to RCW 49.62.040. As of 2023, 2023, this threshold was \$116,593.18. As of 2024, the Department has announced that this threshold will be \$120,559.99.

8. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 7, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 9 and 10, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based. You and the Company further agree that, in the event that any one or more of the provisions of Section 7 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

9. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 7 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Options subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe that you have violated any one or more of the promises set forth in Section 7, the vesting of this Award may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 10 and 12. In addition, in lieu of or in addition to any remedy provided for in Section 8, at any time the Company may seek in any such proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding the Notice Date. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent the promises set forth in Section 7, is applicable in the State in which your employment with the Company is based.

GENERAL

10. DISPUTE RESOLUTION

(i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, or your conduct following the termination of such relationship, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 7 and 9 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subpart (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 7 and 9, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 7 and 9 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 7 or 9 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 12 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 7 or 9 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 7 or 9 to the extent those Sections are applicable in the State in which your employment with the Company is based.

11. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

12. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 7 or 9. All questions pertaining to the construction, regulation, validity, and effect of Sections 7 or 9 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to

Section 12 hereof, other than those arising from Sections 7 or 9, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

13. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

14. RESTRICTIONS ON RESALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued in respect of vested Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

15. INCOME TAXES

The Company shall not deliver shares in respect of any Stock Units unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the delivery of the Common Stock and any related Dividend Equivalent Payments, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the vesting of the Stock Units (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company) or withholding any related Dividend Equivalent Payments. You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Stock Units from any amounts payable by it to you (including, without limitation, future cash wages).

16. NON-TRANSFERABILITY OF AWARD

You understand, acknowledge and agree that, except as otherwise provided in the Plan, the Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of prior to the payment of the Common Stock to you as provided in Section 16 hereof. Your beneficiaries and anyone claiming an interest in the Stock Units through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 7.

17. CLAWBACK AND RECOUPMENT

If you are or become a Covered Person Executive or Other Executive under the Company's Policy for Recoupment of Incentive Certain Compensation, you agree that your Award is subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of Incentive Certain Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. In addition, if you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

18. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming by, under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan, the Long Term Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, the Long-Term Plan, the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any reason.

19. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and the Long-Term Plan constitute the entire understanding between you and the Company regarding the Stock Units. Any prior agreements, commitments or negotiations concerning the Stock Units are superseded.

20. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **COLORADO** AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 7(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE **DISTRICT OF COLUMBIA** AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 7(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, **AS AMENDED**, LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, **AS AMENDED**, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 7(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, **AS AMENDED**, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **ILLINOIS**, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

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Exhibit10(b)

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
NONQUALIFIED STOCK OPTION

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the nonqualified stock option (the "Option") to purchase any part or all of the number of shares of its common stock, par value \$2.50 (the "Common Stock"), that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan") the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to you, and, if applicable, the Union Pacific Corporation Key Employee Continuity Plan (the "Key Employee Continuity Plan") and the Policy for Recoupment of **Incentive** **Certain** Compensation, each as amended from time to time. In addition, if you become eligible for and entitled to severance benefits under a broad-based severance pay policy of the Company that include waiver of the vesting period and/or extension of the exercise period with respect to the Option (the "Severance Policy"), the Option also shall be subject to the terms of such Severance Policy.

This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Date:	February 9, 2023	February 8, 2024
Grant Number:		
Number of Shares of Common Stock covered by Option:		
Exercise Price Per Share:		
Expiration Date:	February 9, 2033	February 8, 2034
Vesting Schedule:		
<u>Shares</u>		
	<u>Vest Date</u>	
	February 9, 2024	
	February 9, 8, 2025	
	February 9, 8, 2026	
	February 8, 2027	

This Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

By electronically accepting this Option, you acknowledge that you have received and read, and agree that this Option shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions and, if applicable, the Key Employee Continuity Plan and/or the Severance Policy (including, but not limited to, the Key Employee Continuity Plan's or Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of Incentive Certain Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Option via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL **FORFEIT** THE NONQUALIFIED STOCK OPTION THAT IS THE SUBJECT OF THIS **AARD**.AWARD.

UNION PACIFIC CORPORATION
STANDARD TERMS AND CONDITIONS FOR
NONQUALIFIED STOCK OPTION

These Standard Terms and Conditions apply to the Option granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended from time to time (the "Plan"), which is identified as nonqualified stock option and is evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the Option shall be subject to the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Incentive Certain Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary. Additionally, for purposes of these Standard Terms and Conditions, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the grant of the Option and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of the Option:

OPTION

1. TERMS OF OPTION

Union Pacific Corporation (the "Company"), has granted to you a nonqualified stock option (the "Option") to purchase up to the number of shares of the Company's common stock (the "Common Stock"), set forth in the Grant Notice. The exercise price per share and the other terms and conditions of the Option are set forth in the Grant Notice, these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Incentive Certain Compensation, each as amended from time to time.

2. NONQUALIFIED STOCK OPTION

The Option is not intended to be an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted accordingly.

3. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Grant Notice. After the Grant Date, to the extent not previously exercised, and subject to termination or acceleration as provided in these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of **Incentive Certain** Compensation, the Option shall be exercisable only to the extent it becomes vested, as described in the Grant Notice, these Standard Terms and Conditions, the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of **Incentive Certain** Compensation, to purchase up to that number of shares of Common Stock as set forth in the Grant Notice, provided that (except as may be provided otherwise in Section 4 below) you remain employed with the Company and do not experience a termination of employment.

The exercise price (the "Exercise Price") of the Option is set forth in the Grant Notice. The Company shall not be obligated to issue any shares of Common Stock until you have paid the total Exercise Price for that number of shares of Common Stock. To exercise the Option (or any part thereof), you must deliver to the Company appropriate notice specifying the number of whole shares of Common Stock you wish to purchase accompanied by valid payment in the form of (i) a check, (ii) an attestation form confirming your current ownership of whole shares of Common Stock equal in value to the total Exercise Price for that number of shares of Common Stock, and/or (iii) an authorization to sell shares equal in value to the total Exercise Price for that number of shares of Common Stock. Notices and authorizations shall be delivered and all checks shall be payable to the Company's third party stock plan administrator, or as otherwise directed by the Company.

Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practicable after exercise. Notwithstanding the above, for administrative or other reasons, including, but not limited to the Company's determination that exercisability of the Option would violate any federal, state or other applicable laws, the Company may from time to time suspend your ability to exercise an Option for limited periods of time, which suspensions shall not change the period in which the Option is exercisable, except as otherwise provided in the Plan.

4. EXPIRATION OF OPTION

Except as otherwise may be provided by the Committee consistent with the terms of the Plan, the Option shall expire and cease to be exercisable as of the earlier of (a) the Expiration Date set forth in the Grant Notice or (b) the date specified below in Sections 4A through 4I, as applicable.

- A. If your termination of employment is by reason of death or you are determined to be disabled under the provisions of the Company's long-term disability plan, then any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (by you or your estate, beneficiary or legal representative, as the case may be) at the date of such termination of employment or the first day on which you are determined to be disabled under such long-term disability plan, as the case may be, until the date that is five (5) years following the date of such termination of employment or the first day of disability as determined under such long-term disability plan, as the case may be.
- B. If you remain continuously employed with the Company until **September 30, 2023** **September 30, 2024**, (which shall include a period of time during which you are absent from active employment in accordance with a leave of absence policy adopted by the Company), and have a termination of employment at or after attaining 62/10 Status as defined below in this Section 4B, then the Option shall be exercisable in accordance with and at the times it becomes vested, as described in the Grant Notice, notwithstanding your termination of employment with the Company, until the date that is five (5) years following the date of such termination of employment. "62/10 Status" as to a Participant means attaining: (i) age 62; and (ii) at least 10 years of vesting service. For this purpose, vesting service shall be calculated by applying the rules for determining "Vesting Service" under the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates ("UPC Pension Plan"), regardless of whether you were ever a participant in the UPC Pension Plan.

- C. In the event of a Change in Control that occurs prior to your termination of employment in which the acquiring or surviving company in the transaction does not assume or continue the Option upon the Change in Control, any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (provided that the Option may be canceled upon the consummation of the Change in Control without payment of any additional consideration if the exercise price of the Option is less than the consideration per Share payable to shareholders of the Company in such Change in Control) and you may exercise the Option not assumed or continued until the date that is five (5) years following the date of such Change in Control. If you terminate employment following such Change in Control for a reason described in 4I, any unexercised portion of the Option shall be immediately forfeited and canceled as of the date of such termination of employment.

- D. If you terminate employment and at the time of such termination of employment you are "Retirement Eligible" (i.e., at least age 65 or at least age 55 with 10 or more years of vesting service (determined as provided in Section 4B, above)), you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date that is five (5) years following the date of such termination of employment.

- E. Except as provided in Section 4F hereof, in the event you terminate employment with the Company prior to becoming Retirement Eligible, and as a result of such termination of employment you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include extension of the exercise period with respect to such Option, and provided you satisfy the conditions of the Severance Policy, you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date established under the Severance Policy, provided that in no event will such date extend beyond the Expiration Date set forth in the Grant Notice.

- F. If your employment is involuntarily terminated by the Company (other than a termination as a result of disability determined under the provisions of the Company's long-term disability plan, or cause or gross misconduct as determined by the Committee) within two (2) years following a Change in Control, any vesting period with respect to the Option shall be deemed to be satisfied and you may exercise the Option upon the date of such termination of employment, and the Option shall remain exercisable until the date that is three (3) years following the date of such termination of employment (or until the date that is five (5) years following the date of such termination of employment in the case of a termination of employment by reason of your death or a termination of employment described in Section 4B or Section 4D hereof). Furthermore, the Option exercise period shall be as described in Section 4A in the event you are determined to be disabled under the provisions of the Company's long-term disability plan prior to your termination of employment described in this Section 4F.

- G. Notwithstanding the foregoing Sections 4A through 4F, if you are an Eligible Employee (within the meaning of the Key Employee Continuity Plan) in the Key Employee Continuity Plan and incur a Severance (within the meaning of the Key Employee Continuity Plan), the Option shall vest and be exercisable in accordance with the terms and conditions of the Key Employee Continuity Plan.

- H. Except as otherwise provided in the foregoing Sections 4A through 4G: (i) you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date that is three (3) months following the date of such termination of employment; and (ii) any portion of the Option that is not vested and exercisable at the time of such termination of employment shall be forfeited and canceled as of the date of such termination of employment.

- I. Notwithstanding any other provision of this Section 4, if your employment is terminated by the Company for deliberate, willful or gross misconduct (as determined by the Committee), the unexercised portion of the Option, whether or not then vested and exercisable, shall be immediately forfeited and canceled as of the date of such termination of employment.

5. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not being known to the public or to others who could obtain economic value from its disclosure or use, which the Company takes reasonable efforts to protect the secrecy of ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you developed and/or obtained, or have had and will in the future continue to have access to, one or more of the following types of Confidential Information or Trade Secrets: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would constitute gross misconduct.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the "Sr. HR Officer"), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets.

D. PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section 5(G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company's Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of one (1) year after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E. NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section 5(G), within any State in which the Company does business.

F. NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree, that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in

hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, whom you worked with, managed, or supervised without prior written consent of the Sr. HR Officer.

G. NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia. Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section 5(G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H. SPECIFIC STATE LAW LIMITATIONS

This Section 5 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraph paragraphs above applies apply to you in full.

- (i) For employees based in California:
 - (a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.
 - (b) Sections (F) and (G) does do not apply to you.
- (ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$112,500. As of 2024, this threshold is at least \$101,250 in 2022 and at least \$112,500 in 2023, scheduled to be \$123,750. If your annualized cash compensation does exceed these thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$67,500. As of 2024, this threshold is scheduled to be \$74,250.
- (iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to \$150,000, the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2023, this threshold was \$150,000, and the District of Columbia may announce a higher threshold for 2024. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee."

- (iv) For employees based in Illinois, Section (G) does not apply to you unless (a) you earn more than \$75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you unless (a) you earn more than \$45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.
- (v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 56 therefore applies in every parish and municipality in the State.

(vi) For employees based in Minnesota, Section (G) does not apply to you.

(vii) Employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.

(viii) For employees based in North Dakota, Sections (E) and (G) do not apply to you.

(ix) For employees based in Oklahoma:

- (a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.
- (b) Sections (F) and (G) do not apply to you.

(x) For employees based in the State of Washington, Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed \$107,301.04 as the threshold established by the Washington Department of 2022 Labor and exceed \$116,593.18 as Industries pursuant to RCW 49.62.040. As of 2023, 2023, this threshold was \$116,593.18. As of 2024, the Department has announced that this threshold will be \$120,559.99.

6. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 5, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 7 and 8, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based. You and the Company further agree that, in the event that any one or more of the provisions of Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

7. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 5 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Options subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe that you have violated any one or more of the promises set forth in Section 5, the vesting of this Grant may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 8 and 10. In addition, in lieu of or in addition to any remedy provided for in Section 6, at any time the Company may seek in any such

proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding the Notice Date. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent the promises set forth in Section 5, is applicable in the State in which your employment with the Company is based.

GENERAL

8. DISPUTE RESOLUTION

(i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, or your conduct following the termination of such relationship, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 5 and 7 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subpart (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 5 and 7, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 5 and 7 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 5 or 7 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 10 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 5 or 7 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 5 or 7, to the extent those Sections are applicable in the State in which your employment with the Company is based.

9. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

10. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 5 or 7. All questions pertaining to the construction, regulation, validity, and effect of Sections 5 or 7 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to Section 10 hereof, other than those arising from Sections 5 or 7, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

11. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

12. RESTRICTIONS ON RESALES OF SHARES ACQUIRED PURSUANT TO OPTION EXERCISE

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other option holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

13. INCOME TAXES

The Company shall not deliver shares of Common Stock in respect of the exercise of any Option unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the exercise of the Option, tax withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the exercise of the Option (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company). You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the exercise of the Option from any amounts payable by it to you (including, without limitation, future cash wages).

14. NON-TRANSFERABILITY OF OPTION

You understand, acknowledge and agree that, except as permitted under the Plan, you may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by you during your lifetime or, following your death, by your beneficiary. The Company may cancel your Option if you attempt to assign or transfer it in a manner inconsistent with this Section 14. Your beneficiaries and anyone claiming an interest in the Option through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 5.

15. CLAWBACK AND RECOUPMENT

If you are or become a **Covered Person** **Executive or Other Executive** under the Company's Policy for Recoupment of **Incentive Certain** Compensation, you agree that your Option, and shares issuable upon exercise of the Option, are subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of **Incentive Certain** Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. **In addition, if you**

are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

16. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming by, under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan, the Long Term Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, the Long-Term Plan, the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any reason.

17. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and the Long-Term Plan constitute the entire understanding between you and the Company regarding the Option. Any prior agreements, commitments or negotiations concerning the Option are superseded.

18. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **COLORADO** AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 5(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE **DISTRICT OF COLUMBIA** AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 5(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 5(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **ILLINOIS**, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
PERFORMANCE STOCK UNITS

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the number of Stock Units specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan"), the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and described in this Grant Notice, and the Union Pacific Corporation Long Term Plan (the "Long Term Plan") approved and adopted by the Compensation and Benefits Committee of the Company's Board of Directors (the "Committee"), and the Policy for Recoupment of Certain Compensation, each as amended from time to time. In addition, if you become eligible for

and entitled to severance benefits under a broad based severance pay policy of the Company that include waiver of the continuous employment requirement applicable to the Stock Units (the "Severance Policy"), the Award also shall be subject to the terms of such Severance Policy. Each Stock Unit subject to this Award represents the right to receive one share of the Company's common stock, par value \$2.50 (the "Common Stock"), subject to the conditions set forth in this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan. This Award is granted pursuant to the Plan and the Long Term Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:	V. James Vena
Grant Date:	February 8, 2024
Grant Number:	
Target Number of Stock Units subject to the Award:	
The maximum number of stock units subject to the award is two times the amount shown. The participant is eligible to receive up to the maximum number of stock units in accordance with the program design in the Long Term Plan Summary. The actual number of shares paid, if any, depends on the achievement level of the applicable performance criteria.	
Restriction Period:	3 years
Restriction Period Commencement Date:	February 8, 2024
Restriction Period Termination Date:	February 8, 2027

By electronically accepting this Award, you acknowledge that you have received and read, and agree that this Award shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan (including, but not limited to, the Committee's discretionary authority under the Long Term Plan to determine the number of Stock Units payable with respect to the Award) and, if applicable, the Severance Policy (including, but not limited to, the Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of Certain Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Stock Units via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL FORFEIT THE PERFORMANCE STOCK UNITS THAT ARE THE SUBJECT OF THIS AWARD.

UNION PACIFIC CORPORATION STANDARD TERMS AND CONDITIONS FOR PERFORMANCE STOCK UNITS

These Standard Terms and Conditions apply to the Award of performance stock units granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended from time to time (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the performance stock units shall be subject to the terms of the Plan and the Long-Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of Certain Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary. Additionally, for purposes of these Standard Terms and Conditions, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the Award and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of this Award:

PERFORMANCE STOCK UNITS

1. TERMS OF PERFORMANCE STOCK UNITS

Union Pacific Corporation, a Utah corporation (the "Company"), has granted to you an award of a target number of performance stock units that may be earned at between 0% and 200% of the specified target level (the "Award" or the "Stock Units") specified in the Grant Notice. Each Stock Unit represents the right to receive (i) one share of the Company's common stock, \$2.50 par value per share (the "Common Stock") and (ii) a payment in cash equal to the amount of dividends that would have been payable on one share of Common Stock had you owned such Common Stock from the Grant Date specified in the Grant Notice through the payment date for such Stock Units ("Dividend Equivalent

Payments"), in each case to the extent that the applicable Performance Criteria described below have been satisfied. The Award is subject to the terms and conditions set forth in the Grant Notice, these Standard Terms and Conditions, the Plan, the Long Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of Certain Compensation, each as amended from time to time.

2. VESTING OF PERFORMANCE STOCK UNITS

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable until the end of the Restriction Period as set forth in the Grant Notice (the "Restriction Period Termination Date"), unless otherwise provided under these Standard Terms and Conditions and, for the avoidance of doubt, specifically subject to Section 3 hereof. After the end of the Restriction Period, subject to your continued employment with the Company through the Restriction Period Termination Date and to termination or acceleration as provided in these Standard Terms and Conditions, the Plan, the Long Term Plan and, if applicable, the Severance Policy, and to the extent certified by the Committee as described below, the Award (including related Dividend Equivalent Payments) shall become vested as of the Restriction Period Termination Date with respect to that number of Stock Units determined by the Committee to be paid pursuant to the Award. Unless the Committee shall determine otherwise, a period in which you are on a leave of absence during the Restriction Period in accordance with a leave of absence policy adopted by the Company shall count toward satisfaction of the Restriction Period.

3. PERFORMANCE CRITERIA

The "Performance Criteria" are average annual Return on Invested Capital ("ROIC") and relative Operating Income Growth ("OIG"). The definition and calculation of annual ROIC and relative OIG shall be determined in accordance with the Long-Term Plan. You may earn Stock Units at the conclusion of the Restriction Period (or such earlier time as may be provided in Section 6) based on the Company's satisfaction of the Performance Criteria in accordance with the ROIC targets and payout schedule and the relative OIG targets and payout schedule approved by the Committee, as determined and certified by the Committee (or the Committee's delegate) in its sole discretion (the "Certification Date"). To the extent certified by the Committee, you may earn up to two times the Stock Unit Target Award as shown on the Grant Notice based on the average of all three fiscal years (2024, 2025 and 2026) of ROIC performance achieved and the Company's relative OIG percentile ranking (which is based on the Company's OIG performance over the three fiscal year period as compared to the OIG performance over that period of the constituent companies of the S&P 100 Industrials Index and Class I Railroads as set forth in the Long Term Plan), as determined and certified by the Committee (or the Committee's delegate) in its sole discretion. Notwithstanding the foregoing, the Committee retains the discretion under the Long-Term Plan to determine the number of Stock Units payable with respect to your Award.

4. DIVIDEND EQUIVALENT PAYMENTS

You are not entitled to receive cash dividends on the Stock Units, but will receive Dividend Equivalent Payments in an amount equal to the value of the cash dividends that would have been paid (based on the record date for such dividends) on the number of shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria as if such shares had been outstanding between the Grant Date and the payment date of such shares of Common Stock. Dividend Equivalent Payments shall not be adjusted for interest, earnings or assumed reinvestment. Except as provided in the immediately following paragraph, Dividend Equivalent Payments shall be paid to you at the time the earned shares of Common Stock to which those Dividend Equivalent Payments relate are delivered (or would be delivered in the absence of a deferral election made by you as described in Section 6(vii)) under Section 6(i) – (vi), as applicable. Distribution of Dividend Equivalent Payments shall be subject to the Company's collection of all tax withholding obligations applicable to such distribution. No Dividend Equivalent Payment shall be paid or distributed on Stock Units (or shares underlying the Stock Units) that are forfeited or that otherwise do not vest and are not issued or issuable under the Award.

If you have elected to defer receipt of earned Stock Units in accordance with the terms of the Deferred Compensation Plan of Union Pacific Corporation (the "Deferred Compensation Plan"), Dividend Equivalent Payments with respect to such earned and deferred Stock Units which relate to dividends paid on and after the date of the deferral of such Stock Units (i.e., the date that the Stock Units would have been payable to you under the Plan had such Stock Units not been deferred under the Company's Deferred Compensation Plan) shall be credited as part of the Award Account (as defined in the Deferred Compensation Plan) under the Company's Deferred Compensation Plan, and shall be deferred for payment at the same time as the Award Account is paid under the terms of the Company's Deferred Compensation Plan.

Notwithstanding the foregoing, the Company may delay payment of a Dividend Equivalent Payment as described in Section 6(viii) hereof.

5. RESTRICTIONS

Unless provided otherwise by the Committee, the following restrictions apply to the Stock Units:

- (i) You shall be entitled to delivery of the shares of Common Stock underlying the Stock Units only as specified in Section 6 hereof;
- (ii) All of the Stock Units shall be forfeited and all of your rights to such Stock Units and the right to receive Common Stock (and related Dividend Equivalent Payments) shall terminate without further obligation on the part of the Company in the event of your Separation from Service with the Company without having a right to delivery of shares of Common Stock under Section 6 hereof; and
- (iii) Any Stock Units not earned as of the Restriction Period Termination Date shall be forfeited and all of your rights to such Stock Units, including any Dividend Equivalent Payments, shall terminate without further obligation on the part of the Company.

6. ACCELERATION/LAPSE OF RESTRICTION PERIOD

Unless determined otherwise by the Committee and subject to Sections 6(vii) and 6(viii) hereof, the Stock Units shall be treated as follows:

(i) Following the end of the Restriction Period and provided you have remained continuously employed by the Company through the Restriction Period Termination Date and absent any Change of Control before the Restriction Period Termination Date in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(i) shall be made to you within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date.

(ii) If you: (A) have a Separation from Service with the Company due to (1) death, (2) Retirement (as such term is defined below in this Section 6(ii)) (including a Separation from Service for the reason described in Section 6(v) hereof on or after the date you satisfy the age, service and other criteria for Retirement), or (3) an involuntarily termination of employment by the Company (other than a termination as a result of your Disability, cause or gross misconduct as determined by the Committee); or (B) are determined to be disabled under the provisions of an applicable long-term disability plan of the Company ("Disability") (each a "Lapse Event"), prior to the Restriction Period Termination Date and prior to a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, you, your estate or your beneficiary, as applicable (each a "Payee"), shall be entitled to receive shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the average of all three fiscal years (2024, 2025 and 2026) of the applicable ROIC and relative OIG performance achieved . The payment of the Stock Units earned under this Section 6(ii) shall be made within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date. The Stock Units paid in accordance with this Section 6(ii) remain subject to the covenants contained in these Standard Terms and Conditions. If you have a Lapse Event and subsequently return to employment with the Company before the end of the Restriction Period, you will not be eligible to earn additional Stock Units beyond those described in this Section 6(ii). "Retirement" shall mean a Separation from Service with at least 2 years of service as Chief Executive Officer; provided that you have given at least 180 days' written notice of your intent to Retire and have assisted in the transition of your role to your successor.

(iii) Upon the occurrence of a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units and such Change in Control occurs prior to both your Separation from Service for any reason and the Restriction Period Termination Date, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. No additional Stock Units granted as part of the Award may be earned following the Change in Control. Shares of Common Stock to which you are entitled pursuant to this Section 6(iii) shall be delivered as soon as administratively practicable following the date on which the Change in Control occurs, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Change in Control occurs.

(iv) Except as provided in Sections 6(ii) or 6(v) hereof, in the event you have a Separation from Service with the Company prior to both you having satisfied the age, service and other criteria for Retirement and the Restriction Period Termination Date and, as a result of such Separation from Service, you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include waiver of the continuous employment requirement applicable to the Stock Units, shares of Common Stock equal to the number or portion of the Stock Units determined under such Severance Policy, which are earned (as determined by the Committee) based on achievement of the Performance Criteria through the end of the fiscal year 2024, 2025 or 2026 (or portion thereof), as established under the Severance Policy, and for which the continuous employment requirement has been waived under the Severance Policy shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(iv) shall be made at the time designated under the Severance Policy, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(v) If you have not satisfied the age, service and other criteria for Retirement and have a Separation from Service prior to the Restriction Period Termination Date because your employment is involuntarily terminated by the Company (other than a termination as a result of your Disability, cause or gross misconduct as determined by the Committee), within twenty-four (24) months following a Change in Control, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(v) shall be made as soon as administratively practicable following your Separation from Service, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(vi) Except as otherwise provided in this Section 6, all of the Stock Units shall be forfeited and all of your rights to such Stock Units shall terminate without further obligation on the part of the Company unless you remain in the continuous employment of the Company (such continuous employment shall, for this purpose, include a period of time during which you are absent from active employment in accordance with a leave of absence policy adopted by the Company) until the earlier of the Restriction Period Termination Date or a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units. Notwithstanding the foregoing, the Committee may, if it finds that the circumstances in the particular case so warrant and subject to your satisfaction of any conditions the Company may require, allow you, even if you cease to be so continuously employed and have a Separation from Service prior to the earlier of the Restriction Period Termination Date or such Change in Control, to vest in some or all of the Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of the fiscal year ending prior to the year in which such Separation from Service occurs. In such event, the payment of the Stock Units under this Section 6(vi) shall be made as soon as administratively practicable following the date on which the Committee authorizes such payment, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which your Separation from Service occurs. The Stock Units paid in accordance with this Section 6(vi) remain subject to the covenants contained in these Standard Terms and Conditions.

(vii) Notwithstanding the foregoing, you may elect to defer receipt of payment of shares underlying the Stock Units to the extent and according to the terms, if any, provided by the Deferred Compensation Plan. If you so elect to defer payment of shares underlying the Stock Units, such payments will be made in accordance with the Deferred Compensation Plan and with any payments of Dividend Equivalent Payments made in accordance with the provisions of Section 4.

(viii) Notwithstanding the foregoing, the Company shall not be obligated to deliver any shares of Common Stock during any period when the Company determines that the delivery of shares hereunder would: violate any federal, state or other applicable laws and/or may issue shares subject to any restrictive legend that, as determined by the Company's counsel, is necessary to comply with securities or other regulatory requirements. Furthermore, the date on which shares are delivered to you (and any Dividend Equivalent Payment thereon) may include a delay to provide the Company such time as it determines appropriate to calculate and certify the extent to which the Performance Criteria were satisfied and to calculate and address tax withholding and/or other administrative matters; provided, however, that delivery of shares of Common Stock underlying the Stock Units (including any Dividend Equivalent Payments) for Stock Units that are determined to be exempt from the requirements of Internal Revenue Code § 409A shall in all events be made at a time that satisfies the "short-term deferral" exception described in Treas. Reg. section 1.409A-1(b)(4) and for Stock Units subject to Internal Revenue Code section 409A shall in all events be made at a time that satisfies Treas. Reg. 1.409A-2(b)(7).

7. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not being known to the general public or to others who could obtain economic value from its disclosure or use, which the Company takes reasonable efforts to protect the secrecy of ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you developed and/or obtained, or have had and will in the future continue to have access to one or more of the following types of Confidential Information or Trade Secrets: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would constitute gross misconduct.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the "Sr. HR Officer"), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you

when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets.

D.PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section (G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company's Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of one (1) year after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E.NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section (G).

F.NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, without prior written consent of the Sr. HR Officer.

G.NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia. Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section (G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H.SPECIFIC STATE LAW LIMITATIONS

This Section 7 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraphs above apply to you in full.

(i) For employees based in California:

- (a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.
- (b) Sections (F) and (G) do not apply to you.

(ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$112,500. As of 2024, this threshold is scheduled to be \$123,750. If your annualized cash compensation does exceed these

thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$67,500. As of 2024, this threshold is scheduled to be \$74,250.

(iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2023, this threshold was \$150,000, and the District of Columbia may announce a higher threshold for 2024. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee."

(iv) For employees based in Illinois, Section (G) does not apply to you unless (a) you earn more than \$75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you unless you (a) earn more than \$45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.

(v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 7 therefore applies in every parish and municipality in the State.

(vi) For employees based in Minnesota, Section (G) does not apply to you.

(vii) For employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.

(viii) For employees based in North Dakota, Sections (E) and (G) do not apply to you.

(ix) For employees based in Oklahoma:

(a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.

(b) Sections (F) and (G) do not apply to you.

(x) For employees based in the State of Washington, Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed the threshold established by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. As of 2023, this threshold was \$116,593.18. As of 2024, the Department has announced that this threshold will be \$120,559.99.

8. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 7, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 9 and 10, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based. You and the Company further agree that, in the event that any one or more of the provisions of Section 7 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

9. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 7 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Options subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe

that you have violated any one or more of the promises set forth in Section 7, the vesting of this Award may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 10 and 12. In addition, in lieu of or in addition to any remedy provided for in Section 8, at any time the Company may seek in any such proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding the Notice Date. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent the promises set forth in Section 7, is applicable in the State in which your employment with the Company is based.

GENERAL

10. DISPUTE RESOLUTION

(i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, or your conduct following the termination of such relationship, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 7 and 9 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subpart (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 7 and 9, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 7 and 9 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 7 or 9 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 12 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 7 or 9 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 7 or 9 to the extent those Sections are applicable in the State in which your employment with the Company is based.

11. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

12. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 7 or 9. All questions

pertaining to the construction, regulation, validity, and effect of Sections 7 or 9 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to Section 12 hereof, other than those arising from Sections 7 or 9, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

13. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

14. RESTRICTIONS ON RESALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued in respect of vested Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

15. INCOME TAXES

The Company shall not deliver shares in respect of any Stock Units unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the delivery of the Common Stock and any related Dividend Equivalent Payments, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the vesting of the Stock Units (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company) or withholding any related Dividend Equivalent Payments. You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Stock Units from any amounts payable by it to you (including, without limitation, future cash wages).

16. NON-TRANSFERABILITY OF AWARD

You understand, acknowledge and agree that, except as otherwise provided in the Plan, the Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of prior to the payment of the Common Stock to you as provided in Section 16 hereof. Your beneficiaries and anyone claiming an interest in the Stock Units through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 7.

17. CLAWBACK AND RECOUPMENT

If you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that your Award is subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of Certain Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. In addition, if you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

18. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming by, under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan, the Long Term Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, the Long-Term Plan, the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any reason.

19. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and the Long-Term Plan constitute the entire understanding between you and the Company regarding the Stock Units. Any prior agreements, commitments or negotiations concerning the Stock Units are superseded.

20. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **COLORADO** AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 7(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE **DISTRICT OF COLUMBIA** AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 7(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 7(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **ILLINOIS**, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

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Exhibit 10(d)

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
NONQUALIFIED STOCK OPTION

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the nonqualified stock option (the "Option") to purchase any part or all of the number of shares of its common stock, par value \$2.50 (the "Common Stock"), that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan") the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to you, and, if applicable, the Union Pacific Corporation Key Employee Continuity Plan (the "Key Employee Continuity Plan") and the Policy for Recoupment of Certain Compensation, each as amended from time to time. In addition, if you become eligible for and entitled to severance benefits under a broad-based severance pay policy of the Company that include waiver of the vesting period and/or extension of the exercise period with respect to the Option (the "Severance Policy"), the Option also shall be subject to the terms of such Severance Policy.

This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:	V. James Vena
Grant Date:	February 8, 2024
Grant Number:	
Number of Shares of Common Stock covered by Option:	
Exercise Price Per Share:	
Expiration Date:	February 8, 2034
Vesting Schedule:	
Shares	
Vest Date	
February 8, 2025	
February 8, 2026	
February 8, 2027	

This Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

By electronically accepting this Option, you acknowledge that you have received and read, and agree that this Option shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions and, if applicable, the Key Employee Continuity Plan and/or the Severance Policy.

(including, but not limited to, the Key Employee Continuity Plan's or Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of Certain Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Option via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL **FORFEIT** THE NONQUALIFIED STOCK OPTION THAT IS THE SUBJECT OF THIS AWARD.

UNION PACIFIC CORPORATION
STANDARD TERMS AND CONDITIONS FOR
NONQUALIFIED STOCK OPTION

These Standard Terms and Conditions apply to the Option granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended from time to time (the "Plan"), which is identified as nonqualified stock option and is evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the Option shall be subject to the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary. Additionally, for purposes of these Standard Terms and Conditions, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the grant of the Option and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of the Option:

OPTION

1. TERMS OF OPTION

Union Pacific Corporation (the "Company"), has granted to you a nonqualified stock option (the "Option") to purchase up to the number of shares of the Company's common stock (the "Common Stock"), set forth in the Grant Notice. The exercise price per share and the other terms and conditions of the Option are set forth in the Grant Notice, these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, each as amended from time to time.

2. NONQUALIFIED STOCK OPTION

The Option is not intended to be an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted accordingly.

3. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Grant Notice. After the Grant Date, to the extent not previously exercised, and subject to termination or acceleration as provided in these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, the Option shall be exercisable only to the extent it becomes vested, as described in the Grant Notice, these Standard Terms and Conditions, the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, to purchase up to that number of shares of Common Stock as set forth in the Grant Notice, provided that (except as may be provided otherwise in Section 4 below) you remain employed with the Company and do not experience a termination of employment.

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The exercise price (the "Exercise Price") of the Option is set forth in the Grant Notice. The Company shall not be obligated to issue any shares of Common Stock until you have paid the total Exercise Price for that number of shares of Common Stock. To exercise the Option (or any part thereof), you must deliver to the Company appropriate notice specifying the number of whole shares of Common Stock you wish to purchase accompanied by valid payment in the form of (i) a check, (ii) an attestation form confirming your current ownership of whole shares of Common Stock equal in value to the total Exercise Price for that number of shares of Common Stock, and/or (iii) an authorization to sell shares equal in value to the total Exercise Price for that number of shares of Common Stock. Notices and authorizations shall be delivered and all checks shall be payable to the Company's third party stock plan administrator, or as otherwise directed by the Company.

Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practicable after exercise. Notwithstanding the above, for administrative or other reasons, including, but not limited to the Company's determination that exercisability of the Option would violate any federal, state or other applicable laws, the Company may from time to time suspend your ability to exercise an Option for limited periods of time, which suspensions shall not change the period in which the Option is exercisable, except as otherwise provided in the Plan.

4. EXPIRATION OF OPTION

Except as otherwise may be provided by the Committee consistent with the terms of the Plan, the Option shall expire and cease to be exercisable as of the earlier of (a) the Expiration Date set forth in the Grant Notice or (b) the date specified below in Sections 4A through 4I, as applicable.

- A. If your termination of employment is by reason of death or you are determined to be disabled under the provisions of the Company's long-term disability plan, then any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (by you or your estate, beneficiary or legal representative, as the case may be) at the date of such termination of employment or the first day on which you are determined to be disabled under such long-term disability plan, as the case may be, until the date that is five (5) years following the date of such termination of employment or the first day of disability as determined under such long-term disability plan, as the case may be.
- B. If you have a termination of employment at or after becoming Retirement Eligible as defined below in this Section 4B, then the Option shall be exercisable in accordance with and at the times it becomes vested, as described in the Grant Notice, notwithstanding your termination of employment with the Company, until the date that is five (5) years following the date of such termination of employment. "Retirement Eligible" means meeting the following criteria: (i) at least 2 years of service as Chief Executive Officer; (ii) providing at least 180 days' written notice of intent to retire; and (iii) assisted in the transition of your role to your successor.
- C. In the event of a Change in Control that occurs prior to your termination of employment in which the acquiring or surviving company in the transaction does not assume or continue the Option upon the Change in Control, any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (provided that the Option may be canceled upon the consummation of the Change in Control without payment of any additional consideration if the exercise price of the Option is less than the consideration per Share payable to shareholders of the Company in such Change in Control) and you may exercise the Option not assumed or continued until the date that is five (5) years following the date of such Change in Control. If you terminate employment following such Change in Control for a reason described in 4I, any unexercised portion of the Option shall be immediately forfeited and canceled as of the date of such termination of employment.
- D. If you terminate employment and at the time of such termination of employment you are "Retirement Eligible" (as provided in Section 4B above), you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date that is five (5) years following the date of such termination of employment.
- E. Except as provided in Section 4F hereof, in the event you terminate employment with the Company prior to becoming Retirement Eligible, and as a result of such termination of employment you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include extension of the exercise period with respect to such Option, and provided you satisfy the conditions of the Severance Policy, you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date established under the Severance Policy, provided that in no event will such date extend beyond the Expiration Date set forth in the Grant Notice.
- F. Notwithstanding the foregoing Sections 4A through 4E, if you are an Eligible Employee (within the meaning of the Key Employee Continuity Plan) in the Key Employee Continuity Plan and incur a Severance (within the meaning of the Key Employee Continuity Plan), the Option shall vest and be exercisable in accordance with the terms and conditions of the Key Employee Continuity Plan.
- G. Notwithstanding the foregoing Section 4F, if your employment is involuntarily terminated by the Company (other than a termination as a result of disability determined under the provisions of the Company's long-term disability plan, or cause or gross misconduct as determined by the Committee) at any time, any vesting period with respect to the Option shall be deemed to be satisfied and you may exercise the Option upon the date of such termination of employment, and the Option shall remain exercisable until the date that is five (5) years following the date of such termination of employment, provided that in no event will such date extend beyond the Expiration Date set forth in the Grant Notice.
- H. Except as otherwise provided in the foregoing Sections 4A through 4G: (i) you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date that is three (3) months following the date of such termination of employment; and (ii) any portion of the Option that is not vested and exercisable at the time of such termination of employment shall be forfeited and canceled as of the date of such termination of employment.
- I. Notwithstanding any other provision of this Section 4, if your employment is terminated by the Company for deliberate, willful or gross misconduct (as determined by the Committee), the unexercised portion of the Option, whether or not then vested and exercisable, shall be immediately forfeited and canceled as of the date of such termination of employment.

5. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not

being known to the public or to others who could obtain economic value from its disclosure or use, which the Company takes reasonable efforts to protect the secrecy of ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you developed and/or obtained, or have had and will in the future continue to have access to, one or more of the following types of Confidential Information or Trade Secrets: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would constitute gross misconduct.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the "Sr. HR Officer"), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets.

D. PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section 5(G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company's Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of one (1) year after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E. NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section 5(G), within any State in which the Company does business.

F. NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree, that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, whom you worked with, managed, or supervised without prior written consent of the Sr. HR Officer.

G. NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of one (1) year following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or

misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia. Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section 5(G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H.SPECIFIC STATE LAW LIMITATIONS

This Section 5 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraphs above apply to you in full.

- (i) For employees based in California:
 - (a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.
 - (b) Sections (F) and (G) do not apply to you.
- (ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$112,500. As of 2024, this threshold is scheduled to be \$123,750. If your annualized cash compensation does exceed these thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2023, this threshold was \$67,500. As of 2024, this threshold is scheduled to be \$74,250.
- (iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2023, this threshold was \$150,000, and the District of Columbia may announce a higher threshold for 2024. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee."
- (iv) For employees based in Illinois, Section (G) does not apply to you unless (a) you earn more than \$75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you unless you (a) earn more than \$45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.
- (v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 6 therefore applies in every parish and municipality in the State.
- (vi) For employees based in Minnesota, Section (G) does not apply to you.

- (vii) For employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.
- (viii) For employees based in North Dakota, Sections (E) and (G) do not apply to you.
- (ix) For employees based in Oklahoma:
 - (a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.
 - (b) Sections (F) and (G) do not apply to you.
- (x) For employees based in the State of Washington, Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed the threshold established by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. As of 2023, this threshold was \$116,593.18. As of 2024, the Department has announced that this threshold will be \$120,559.99.

6. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 5, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 7 and 8, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based. You and the Company further agree that, in the event that any one or more of the provisions of Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

7. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 5 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Options subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe that you have violated any one or more of the promises set forth in Section 5, the vesting of this Grant may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 8 and 10. In addition, in lieu of or in addition to any remedy provided for in Section 6, at any time the Company may seek in any such proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding the Notice Date. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent the promises set forth in Section 5, is applicable in the State in which your employment with the Company is based.

GENERAL

8. DISPUTE RESOLUTION

- (i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, or your conduct following the termination of such relationship, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 5 and 7 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subparagraph (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 5 and 7, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 5 and 7 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 5 or 7 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 10 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 5 or 7 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 5 or 7, to the extent those Sections are applicable in the State in which your employment with the Company is based.

9. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

10. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 5 or 7. All questions pertaining to the construction, regulation, validity, and effect of Sections 5 or 7 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to Section 10 hereof, other than those arising from Sections 5 or 7, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

11. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

12. RESTRICTIONS ON RESALES OF SHARES ACQUIRED PURSUANT TO OPTION EXERCISE

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other option holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

13. INCOME TAXES

The Company shall not deliver shares of Common Stock in respect of the exercise of any Option unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the exercise of the Option, tax withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the exercise of the Option (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company). You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the exercise of the Option from any amounts payable by it to you (including, without limitation, future cash wages).

14. NON-TRANSFERABILITY OF OPTION

You understand, acknowledge and agree that, except as permitted under the Plan, you may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by you during your lifetime or, following your death, by your beneficiary. The Company may cancel your Option if you attempt to assign or transfer it in a manner inconsistent with this Section 14. Your beneficiaries and anyone claiming an interest in the Option through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 5.

15. CLAWBACK AND RECOUPMENT

If you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that your Option, and shares issuable upon exercise of the Option, are subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of Certain Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. In addition, if you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

16. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming by, under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan, the Long Term Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, the Long-Term Plan, the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any reason.

17. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and the Long-Term Plan constitute the entire understanding between you and the Company regarding the Option. Any prior agreements, commitments or negotiations concerning the Option are superseded.

18. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF COLORADO AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 5(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE DISTRICT OF COLUMBIA AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 5(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 5(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF ILLINOIS, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

**SUPPLEMENTAL PENSION PLAN
(409A NON-GRANDFATHERED COMPONENT)**

For Officers and Managers

of

Union Pacific Corporation

and

Affiliates

(As amended and restated in its entirety)

effective as of January 1, 1989, including all amendments

adopted through November 1, 2023)

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ARTICLE ONE

Scope of Supplemental Plan and Definitions

1.1 Introduction. This “Supplemental Plan (409A Non-Grandfathered Component),” amended through January 1, 2009, since amended and now further amended effective November 1, 2023, and as it may hereafter be amended from time to time, establishes the rights to specified benefits for certain officers and managers or highly compensated employees who retire or otherwise terminate their Employment on or after January 1, 2005. The rights of any such individual who retired or otherwise terminated Employment prior to January 1, 2005 shall be subject to the terms of the Supplemental Plan as in effect at the date of retirement or termination, except to the extent otherwise provided herein. This Supplemental Plan is intended to be a non-qualified supplemental retirement plan which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and, as such, to be exempt from the provisions of Parts 2, 3 and 4 of Subtitle B of Title I of ERISA.

1.2 Applicability. The Supplemental Plan was bifurcated into two components, effective January 1, 2009. One such component, known as the “Supplemental Pension Plan (409A Grandfathered Component) for Officers and Managers of Union Pacific Corporation, effective January 1, 1989,” is applicable solely to those benefits that were both accrued and fully vested as of December 31, 2004 in accordance with the terms of the Supplemental Plan as in effect on December 31, 2004, which terms were not materially modified after October 3, 2004. With respect to all other amounts accrued under the Supplemental Plan, the rights of the Participant shall be governed by the terms of this Supplemental Plan (409A Non-Grandfathered Component).

1.3 Definitions. As used in this Supplemental Plan (409A Non-Grandfathered Component), the following terms have the meanings set forth below, unless a different meaning is plainly required by the context:

(a) "Additional Disability Pay Benefit" means the benefit provided for in Section 2.4(b). The Additional Disability Pay Benefit is intended to constitute "disability pay" that is exempt from the requirements of Section 409A of the Code, as described in Section 1.409A-1(a)(5) of the Treasury Regulations.

(b) "Administrator" shall have, on and after February 1, 2013, the same meaning as "Named Fiduciary-Plan Administration" as such term is defined in the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates. Prior to February 1, 2013, "Administrator" means the Senior Vice President-Human Resources of Union Pacific or, if there is no such Senior Vice President - Human Resources, such person or persons appointed by the Board of Directors of Union Pacific or, in the absence of any such appointment, Union Pacific, who shall administer this Supplemental Plan.

(c) "Change in Control" means a "Change in Control" as defined in the Union Pacific Corporation Key Employee Continuity Plan adopted November 16, 2000, as may be amended from time to time.

(d) "Company" means Union Pacific and any Affiliated Company which is included in the Supplemental Plan by written action of (i) its board of directors and (ii) either the Board of Directors of Union Pacific or the Administrator acting on behalf of the Board of Directors of Union Pacific; provided, however, that if an Affiliated Company (other than an Affiliated Company that would remain such if the phrase "100 percent" were substituted for the phrase "at least 80 percent" in section 1563(a)(1) of the Code, which is then incorporated by reference in sections 414(b) and (c) of the Code) is included in the Supplemental Plan by virtue of action by the Administrator, unless the Board of Directors of Union Pacific ratifies such action not later than its first regularly scheduled meeting held subsequent to the taking of such action by the Administrator, such Affiliated Company shall cease to be so included as of the close of business on the last day of the month in which such meeting occurs and no employee of such Affiliated Company shall accrue a benefit under the Supplemental Plan.

(e) "Early Supplemental Pension Retirement Date" means the date of a Participant's Separation from Service after he becomes vested in his Supplemental Plan (409A Non-Grandfathered Component) benefit under Section 4.2, before his Normal Retirement Date, and after either attaining age 55 and completing 10 years of Vesting Service or attaining age 65, determined after taking into account (i) additional service credited under Section 1.3(s) and/or (ii) additional years of age, not exceeding five (5), as may be approved by the Chief Executive Officer of Union Pacific prior to the Participant's Separation from Service or as may be credited to the Participant pursuant to Section 2.7, Section 2.8 or Section 2.10; provided, however that such date does not qualify as an Early Retirement Date under the terms of the Pension Plan. Notwithstanding the foregoing, any additional years of age awarded under this Section 1.3(e) shall affect only a Participant's eligibility for an Early Supplemental Pension, and not the actual commencement date of such benefit.

(f) "Early Supplemental Pension" means the pension provided for in Section 2.2.

(g) "Effective Date" means January 1, 1989, the effective date of this document; provided, however, that when a provision of this Supplemental Plan (409A Non-Grandfathered Component) states an effective date other than January 1, 1989, such stated special effective date shall apply as to that provision.

(h) "Final Average Compensation" means Final Average Compensation as determined under Article II of the Pension Plan as of the date of the Participant's Separation from Service.

(i) "Incentive Compensation" means:

(i) incentive compensation awarded to a Participant under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of April 15, 1988 and as it may thereafter be amended from time to time, and any successor thereto (the "Executive Incentive Plan");

(ii) for 1999 and later years, incentive compensation foregone by a Participant for an award under the Executive Incentive Premium Exchange Program of Union Pacific Corporation and Subsidiaries;

(iii) such other incentive compensation as may be included in Incentive Compensation for a Participant at the discretion of the Board of Directors of Union Pacific; or

(iv) the amount of retention stock (or retention units) awarded to a Participant by the Compensation and Benefits Committee of the Company's Board of Directors (or any successor thereto) in lieu of a cash award under the Executive Incentive Plan, but only to the extent that such incentive compensation or retention stock (or retention units) is not taken into account in computing the Participant's Final Average Compensation for reasons other than: (A) the annual compensation limit under section 401(a)(17) of the Code, (B) the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan, (C) the eligibility freeze set forth in Section 3.02 of the Pension Plan, or (D) the Credited Service freeze set forth in Section 4.04 of the Pension Plan. Awards of Incentive Compensation shall be taken into account at the time such awards would have been paid but for the Participant's election, to forego or defer payment under a plan of the Company or an Affiliated Company; provided, however, that for purposes of calculating a Participant's benefit under this Supplemental Plan (409A Non-Grandfathered Component) no more than the three highest awards of Incentive Compensation shall be counted in the Participant's highest 36 consecutive months of Compensation determined as of the Participant's Separation from Service taking all Incentive Compensation into account.

(j) "Normal Supplemental Pension" means the pension provided for in Section 2.1.

(k) "Participant" means any Employee of the Company on or after the Effective Date who is or once was a Covered Employee under the Pension Plan and:

(i) whose Total Credited Service under Section 1.3(s) includes years that are not taken into account as Credited Service under the Pension Plan (including years not taken into account due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan);

(ii) who has Incentive Compensation within the 120-calendar-month period immediately preceding:

(A) with respect to a Participant who is not an Active Participant under the Pension Plan after December 31, 2017, the date prior to January 1, 2018 on which the Participant ceases to be a Covered Employee; and

(B) with respect to a Participant who is an Active Participant under the Pension Plan on or after January 1, 2018, the date on or after January 1, 2018 on which the Participant ceases to be an Active Participant under the Pension Plan, after taking into account Section 3.02(e)(1) or (2) (as may be applicable) of the Pension Plan;

(iii) whose Final Average Compensation is not fully recognized under the Pension Plan solely due to application of the annual compensation limit under section 401(a)(17) of the Code or the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan, as determined as of the date of the Participant's Separation from Service;

(iv) whose benefit under the Pension Plan is reduced as a result of the limitation described in Section 5.02 of the Pension Plan;

or

(v) who is credited with additional years of age as described in Section 1.3(e)(ii), and

who has been designated by the Administrator as eligible to participate in the Supplemental Plan.

Notwithstanding anything in this Supplemental Plan to the contrary, no person who was not an Active Participant under the Pension Plan on December 31, 2017 shall be eligible to participate in the Supplemental Plan after December 31, 2017. No person who was not an Active Participant under the Pension Plan on December 31, 2017 and who, subsequent to that date, first becomes, or returns to service as, a Covered Employee (whether by returning to Employment following a Separation from Service, transfer or otherwise, and without regard to whether he has commenced a previously accrued Supplemental Plan benefit) shall be eligible to participate in the Supplemental Plan for purposes of benefit accrual with respect to such service after December 31, 2017.

In the event of the death or incompetency of a Participant, the term shall mean the Participant's personal representative or guardian for whatever amounts remain payable to the Participant under the terms of the Supplemental Plan.

(l) "Pension Plan" means the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates, as amended from time to time.

(m) "Postponed Supplemental Pension" means the pension provided for in Section 2.3.

(n) "Rehired Supplemental Pension" means the pension provided for in Section 2.5.

(o) "Separation from Service" means the date as of which the Company and the Participant reasonably anticipate that no further services would be performed, or that the level of bona fide services the Participant would perform after such date would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed by the Participant over the immediately preceding thirty-six (36) month period. There shall be no Separation from Service during a Participant's bona fide leave of absence so long as such leave does not exceed six (6) months or such longer period as the Participant may retain a right to reemployment with the Company under applicable statute or by contract. The term Separation from Service shall be interpreted in the same manner as a separation from service under Section 409A of the Code.

(p) "Supplemental Plan" means the Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates, as amended and restated effective January 1, 1989, and as it may thereafter be amended from time to time. The Supplemental Plan is comprised of the following components, each of which is set forth in a separate document: (1) the Supplemental Pension Plan (409A Non-Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates, and (2) the Supplemental Pension Plan (409A Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates.

(q) "Surviving Spouse" means:

(i) where payments to the Participant have not begun under the Supplemental Plan at the time of the Participant's death, the spouse who was legally married to the Participant continuously during the 12 months ending on the date of the Participant's death;

(ii) where payments to the Participant have begun under the Supplemental Plan prior to the Participant's death:

(A) in the case of a Participant whose Supplemental Plan and Pension Plan benefit began on the same date or who is not vested in a Pension Plan benefit, the spouse who was legally married to the Participant on the date that his Supplemental Plan payments began;

(B) in the case of a Participant whose Supplemental Plan benefits began on a date earlier than the date on which his Pension Plan benefits began, the spouse who was legally married to the Participant on the date his Pension Plan benefits began; or

(C) in the case of a Participant whose Supplemental Plan benefits began but whose vested Pension Plan benefits had not started prior to this death, the spouse who was legally married to the Participant on the date of his death.

(r) "Surviving Spouse's Pension" means the pension provided for in Section 2.6.

(s) "Total Credited Service" means:

(i) all years of Credited Service (and portions thereof) as set forth in the Article IV of the Pension Plan, which are credited with respect to the Participant under the Pension Plan (taking into account, as applicable, the Credited Service freeze set forth in Section 4.04 of the Pension Plan), other than Credited Service accruing during a Participant's approved unpaid leave of absence (for the avoidance of doubt, for reasons

other than Total Disability) that is after the Participant's Separation from Service, plus Credited Service for years of Employment that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan;

(ii) such additional years of training prior to the Participant's Employment Commencement Date, as may have especially qualified the Participant for service with the Company, as determined by the Board of Directors, in its sole discretion;

(iii) such additional years of service, not exceeding five (5), as may be approved by the Chief Executive Officer of Union Pacific prior to the Participant's termination of Employment; and

(iv) such additional years of service as may be credited to the Participant pursuant to Section 2.8 or Section 2.10.

(t) "Total Offset Service" means (i) all years of "offset service" (including portions thereof) as set forth in Article V of the Pension Plan, including years of offset service for years of Employment that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(s) (ii), (iii) or (iv). For the avoidance of doubt, Total Offset Service includes Credited Service described in Section 5.01(b)(2) of the Pension Plan used to determine a Participant's governmental offset under the Pension Plan.

(u) "Union Pacific" means Union Pacific Corporation, or any successor to that corporation.

(v) "Vesting Service" means (i) all years of Vesting Service (including portions thereof) as set forth in Article IV of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(s)(ii), (iii) or (iv).

(w) Except as otherwise expressly provided herein, all other capitalized terms shall have the respective meanings set forth in the definition provisions of Article II of the Pension Plan.

ARTICLE TWO

Amount and Payment of Pension

2.1 Normal Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service at his or her Normal Retirement Age under the Pension Plan shall be entitled to receive a Normal Supplemental Pension (or a Rehire Supplemental Pension, as applicable), in the form of a single life annuity commencing on the Participant's Normal Retirement Date, equal to the result of (a) minus (b) minus (c), where:

(a) is the annual Accrued Benefit payable at Normal Retirement Date computed on the basis of the formula provided in Section 5.01 of the Pension Plan as of the date of the Participant's Separation from Service, determined without regard to the limitation described in Section 5.02 of the Pension Plan, and including under such formula any amounts of Final Average Compensation that were excluded from consideration for the Participant under the Pension Plan and all Incentive Compensation payable to the Participant within the 120-calendar-month period immediately preceding:

(i) with respect to a Participant who is not an Active Participant under the Pension Plan after December 31, 2017, the date prior to January 1, 2018 on which the Participant ceases to be a Covered Employee; and

(ii) with respect to a Participant who is an Active Participant under the Pension Plan on or after January 1, 2018, the date on or after January 1, 2018 on which the Participant ceases to be an Active Participant under the Pension Plan, after taking into account Section 3.02(e)(1) or (2) (as may be applicable) of the Pension Plan,

and, in all cases, utilizing Total Credited Service up to 40 years in place of Credited Service under Article IV of the Pension Plan and Total Offset Service up to 40 years in place of "offset service" under Article V of the Pension Plan;

(b) is the annual nonforfeitable Accrued Benefit payable at Normal Retirement Date actually determined to be due under the terms of the Pension Plan as of the date of the Participant's Separation from Service; and

(c) is the annual nonforfeitable Normal Supplemental Pension payable at Normal Retirement Date actually determined under the Supplemental Plan (409A Grandfathered Component).

For purposes of determining benefits under the Supplemental Plan (409A Non-Grandfathered Component), any actuarial adjustments for a delay in the commencement of payment beyond the Normal Retirement Date or otherwise that apply under the Pension Plan in calculating the benefit described in (b), above, shall also apply to calculate the benefit described in (a), above.

2.2 Early Supplemental Pension.

(a) Participant Retires on Early Retirement Date. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service on an Early Retirement Date under the Pension Plan shall receive an Early Supplemental Pension, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55. The Early Supplemental Pension shall be computed in the same manner as the Normal Supplemental Pension, but with the amounts described in Section 2.1 adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan (whether or not the Participant's Pension Plan benefit or Supplemental Plan (409A Grandfathered Component) benefit starts on that date), taking into account any additional years of age described in Section 1.3(e)(ii) solely for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a). Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Early Supplemental Pension under the Supplemental Plan (409A Non-Grandfathered Component)

shall be increased by the difference, if any, between (i) the amount of the benefit computed under the immediately preceding sentence attributable to the Participant's Normal Supplemental Pension under the terms of the Supplemental Plan (409A Grandfathered Component) as described in Section 2.1(c) and (ii) such amount that would have been payable from the Supplemental Plan (409A Grandfathered Component) at the Participant's early benefit start date under the Supplemental Plan (409A Non-Grandfathered Component) (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date).

(b) Participant Retires on Early Supplemental Pension Retirement Date. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service on an Early Supplemental Pension Retirement Date shall receive an Early Supplemental Pension, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55. The Early Supplemental Pension shall be computed in the same manner as described in Section 2.2(a), above, except that, for purposes of determining the Early Supplemental Pension as described in Section 2.2(a):

(i) the amount described in Sections 2.1(a) and 2.1(c) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date), taking into account any additional years of age described in Section 1.3(e)(ii) solely for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a); and

(ii) the amount described in Section 2.1(b) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Pension Plan benefit starts on that date); and

(iii) if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Early Supplemental Pension under the Supplemental Plan (409A Non-Grandfathered Component) shall be increased by the difference, if any, between (i) the amount of the benefit computed under Section 2.2(a) attributable to the Participant's Normal Supplemental Pension under the terms of the Supplemental Plan (409A Grandfathered Component) as described in Section 2.1(c) and (ii) such amount that would have been payable from the Supplemental Plan (409A Grandfathered Component) at the Participant's early benefit start date under the Supplemental Plan (409A Non-Grandfathered Component) (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date).

2.3 Postponed Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service after his Normal Retirement Age shall be entitled to a Postponed Supplemental Pension, in the form of a single life annuity commencing at the Postponed Retirement Date, which is equal to the Normal Supplemental Pension, computed in accordance with Section 2.1 based on his Total Credited Service, Total Offset Service, etc. as of the Participant's Postponed Retirement Date (instead of his Normal Retirement Date).

2.4 Disabled Participants.

(a) Disability Supplemental Retirement Benefit. In the event that a Participant becomes a Disabled Participant under the Pension Plan (and therefore is deemed to have had a Separation from Service under the Pension Plan), the Participant shall receive a Normal Supplemental Pension, Early Supplemental Pension, or Postponed Supplemental Pension, as determined under Section 2.1, 2.2, 2.3 or 4.2, as applicable, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Disability Date under the Pension Plan or the Participant's attainment of age 55; provided that such Disabled Participant has had a Separation from Service under the Supplemental Plan (409A Non-Grandfathered Component). Such benefit shall be based on the Participant's Supplemental Plan (409A Non-Grandfathered Component) benefit accrued through his or her Disability Date.

(b) Additional Disability Pay. To the extent that a Disabled Participant accrues a benefit under this Supplemental Plan (409A Non-Grandfathered Component) in excess of the amount described in Section 2.4(a) (due to the continued crediting of service and deemed Compensation for Disabled Participants), such additional benefit shall be paid at the same time and in the same form as the Participant's Pension Plan benefit, as described in Section 6.05 of the Pension Plan. Such Additional Disability Pay Benefit may include, by way of example, any early retirement subsidy with respect to the Supplemental Plan benefit described in Section 2.4(a) that the Disabled Participant accrues after his or her Disability Date.

2.5 Rehired Employees. The following provisions shall apply to any Participant who returns to Employment with the Company after having had a Separation from Service.

(a) Any Supplemental Pension determined under the terms of this Supplemental Plan (409A Non-Grandfathered Component) that is attributable to a prior period of Employment shall continue to be paid to the Participant without regard to the Participant's reemployment (even if the Participant's Pension Plan benefit and Supplemental Plan (409A Grandfathered Component) benefit are suspended during such reemployment).

(b) A rehired Participant shall be entitled to a Rehire Supplemental Pension, as determined in the same manner as a Supplemental Pension under Sections 2.1, 2.2, 2.3, 2.4(a) or 4.2, as applicable, based on the Participant's Final Average Compensation, Incentive Compensation, Total Credited Service and Total Offset Service during his or her aggregated periods of Employment, but offset further by the annual nonforfeitable Supplemental Pension actually determined under the Supplemental Plan (409A Non-Grandfathered Component) as of the Participant's prior Separation from Service. Notwithstanding the foregoing, a Participant shall not be entitled to accrue a benefit with respect to any period of Employment that follows a rehire occurring on or after January 1, 2018, unless the Participant's Separation from Service was the result of the Participant becoming a Disabled Participant and the Participant returns to Employment as a Covered Employee at such time as the Employer may reasonably require after ceasing to suffer from a Total Disability.

(c) Subject to the last sentence of Section 2.5(b), in the event that the Participant is entitled to receive more than one Rehire Supplemental Pension under this Supplemental Plan (409A Non-Grandfathered Component) (as a result of more than two Separations from Service), the provisions of Section 2.5(b) shall be applied as if all prior periods of the Participant's Employment were aggregated into a single prior period of Employment.

(d) In the event that a Disabled Participant who is entitled to an Additional Disability Pay Benefit under Section 2.4(b) returns to Employment with the Company, the Rehire Supplemental Pension determined under Section 2.5(b) shall not take into account the Additional Disability Pay Benefit (except for purposes of vesting, eligibility for an early retirement subsidy, or the calculation of the 40 year limit in Section 2.1).

2.6 Surviving Spouse's Pension (Post-Retirement Automatic Survivor Annuity).

(a) The Surviving Spouse of a Participant who dies while receiving a Normal Supplemental Pension (including a Normal Supplemental Pension determined under Section 4.2), Postponed Supplemental Pension or an Early Supplemental Pension determined under Section 2.2(a), which death occurs at a time when such Participant was receiving (or was immediately eligible to receive, had the Participant survived), the normal, postponed or early retirement benefit described at Sections 6.01, 6.02 or 6.03, respectively, of the Pension Plan, and, if applicable, an Additional Disability Pay Benefit, shall be entitled to a Surviving Spouse's Pension equal to:

(i) unless the Participant is described in paragraph (ii) below, one-half of the single life annuity amount of the Normal, Early, or Postponed Supplemental Pension (including the Additional Disability Pay Benefit, if applicable) payable to such deceased Participant under the Supplemental Plan (409A Non-Grandfathered Component).

(ii) if the Participant was receiving, as described in Section 2.4(a), a Normal Supplemental Pension determined under Section 4.2 as a result of becoming a Disabled Participant and incurring a Separation from Service under the Supplemental Plan (409A Non-Grandfathered Component) prior to attaining age 55, one-half of the single life annuity amount of the Normal, Early or Postponed Supplemental Pension (including the Additional Disability Pay Benefit described in Section 2.4(b), if applicable) credited with respect to such deceased Participant under the terms of the Supplemental Plan (409A Non-Grandfathered Component), determined as of the Participant's Benefit Payment Date under the Pension Plan (or date of death if the Participant died prior thereto), and reflecting the Pension Plan's early retirement reduction factors, if applicable, notwithstanding the Participant's Separation from Service prior to age 55 for purposes of the Supplemental Plan (409A Non-Grandfathered Component).

Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Surviving Spouse's Pension shall be increased by an amount equal to one-half of the amount of the benefit computed under Section 2.1(c) adjusted for payment as of any early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date) and adjusted as of any postponed benefit start date according to any actuarial adjustments for a delay in the commencement of payment of the Participant's benefit beyond the Normal Retirement Date or otherwise that apply to the calculation of such a delayed benefit payment (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date). Such Surviving Spouse's Pension shall be payable to such Spouse in equal monthly payments for life, commencing on the first day of the month immediately following the death of such Participant.

(b) The Surviving Spouse of a Participant who dies while receiving an Early Supplemental Pension determined under Section 2.2(b), relating to a Separation from Service on an Early Supplemental Pension Retirement Date (i.e., a date that does not qualify as an Early Retirement Date under the terms of the Pension Plan), and, if applicable, an Additional Disability Pay Benefit, shall be entitled to a Surviving Spouse's Pension. The Surviving Spouse's Pension shall be payable in equal monthly payments for the Surviving Spouse's life, commencing on the first day of the month immediately following the Participant's death, which shall equal one-half of the single life annuity amount calculated for the Participant under Section 2.2(b) (including the Additional Disability Pay Benefit, if applicable), as of the Participant's early benefit start date under this Supplemental Plan (409A Non-Grandfathered Component). Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Surviving Spouse's Pension shall be increased by an amount equal to one-half of the amount of the benefit computed under the Section 2.1(c) adjusted for payment as of any early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date).

(c) The Surviving Spouse's Pension described in this Section 2.6 is payable in addition to any other death benefit that may be payable to the Surviving Spouse or other beneficiary of the Participant under the form of payment in which the Participant's Supplemental Pension is paid pursuant to Article Three. However, in no event shall the Surviving Spouse who is entitled to the Surviving Spouse's Pension, if also designated as the Participant's beneficiary under a joint and survivor annuity payable under the Supplemental Plan, receive a total benefit from the Supplemental Plan that is more than 100% of the retirement income otherwise payable to the Participant under the Supplemental Plan.

2.7 Change in Control. A Participant who is affected by a Change in Control shall have his eligibility for and amount of Supplemental Plan benefits determined pursuant to the terms of the Union Pacific Corporation Key Employee Continuity Plan adopted November 16, 2000, as may be amended from time to time.

2.8 Additional Age and Service for Certain Participants.

(a) Participant Ike Evans shall be deemed to have attained an age two (2) years, six (6) months older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years, six (6) months service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(b) Participant Stan McLaughlin shall be deemed to have attained an age two (2) years older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(c) Participant John Holm, shall be deemed to have attained an age two (2) years older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(d) Participant Jerry Everett shall be deemed to have attained an age two (2) years, three (3) months older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii); and

(e) Participant Mike Ring shall be deemed to have attained an age three (3) years, six (6) months older than his actual age, up to a maximum age 65.

(f) The age and service credited as provided in Section 2.8(a)-(e) results in an additional deferral of compensation for purposes of the American Jobs Creation Act of 2004 ("AJCA"), and such additional deferral of compensation is subject to the terms of the AJCA.

2.9 Six Month Delay for Specified Employees. Notwithstanding any provision of this Supplemental Plan (409A Non-Grandfathered Component) to the contrary, no payment shall be made to a "specified employee" (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code maintained by the Company and its Affiliated Companies) until the first day of the seventh month following such specified employee's Separation from Service; provided, however, that in the event of the specified employee's death before his payment commencement date, this provision shall not prevent payment of death benefits at the time(s) otherwise prescribed by this Supplemental Plan (409A Non-Grandfathered Component); and provided further that this Section 2.9 shall not apply to the Additional Disability Pay Benefit. Payments suspended during such six-month period shall be accumulated and paid to the specified employee (without interest) in the seventh month following the specified employee's Separation from Service.

2.10 2017 Benefit Enhancement. Effective September 30, 2017, the benefit enhancements described in subsection (b) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of subsection (a). These enhancements shall be taken into account in determining the Participant's Normal Supplemental Pension, Early Supplemental Pension or Postponed Supplemental Pension as described in Section 2.1, 2.2 or 2.3, respectively.

(a) The requirements of this subsection (a) are satisfied by a Covered Employee who:

(1) is a Covered Employee under the Pension Plan on August 16, 2017;

(2) had 2016 Compensation, as defined in Section 2.18(c) of the Pension Plan, in excess of \$120,000;

(3) is at least age 55 with at least 10 years of Vesting Service, as defined in Section 2.75 of the Pension Plan or has attained age 65, each determined as of September 30, 2017;

(4) is eligible for and is selected by the Company to participate in the Union Pacific 2017 Workforce Reduction Program ("2017 WRP") and has a Separation from Service with the Company on the date selected by the Company, which date shall not occur after September 30, 2017; and

(5) executes all documents required by the terms of the 2017 WRP, including a waiver and general release of any and all employment-related rights or claims (other than claims for benefits under the Supplemental Pension Plan or Pension Plan) that the Participant may have against the Company, any Affiliated Company, the Supplemental Plan, the Pension Plan and their respective officers, agents and employees, in the form and manner prescribed by the Company, and does not revoke such waiver and general release within the time period prescribed by the Company.

(b) Each Covered Employee described in subsection (a) shall:

(1) receive up to an additional 60 months in the aggregate, which shall be applied as follows:

(A) First, to increase the Covered Employee's deemed age, up to a maximum of age 65; and

(B) Second, if any such months remain, to increase the Covered Employee's years and months of service for purposes of calculating Total Credited Service and Total Offset Service, up to a maximum of 40 years of service; and

(2) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c) (3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Pension Plan (409A Non-Grandfathered Component).

ARTICLE THREE

Manner of Payment

3.1 Normal Form of Payment for Retirement. Except as provided in Sections 3.2 and 3.3, if a Participant has a Separation from Service on a Normal Retirement Date, an Early Retirement Date, an Early Supplemental Pension Retirement Date, or a Postponed Retirement Date under Section 2.1, 2.2 or 2.3, payment of the Supplemental Pension shall be made to a Participant on his or her benefit start date in the form of a single life annuity payable in equal monthly installments to the Participant for his or her lifetime.

3.2 Optional Forms of Payment for Retirement. Notwithstanding Section 3.1, a Participant may elect to receive payment of the Supplemental Pension in one of the following forms in lieu of the applicable normal form set forth in Section 3.1.

(a) A single life annuity payable in equal monthly installments to the Participant for his lifetime;

(b) A single life annuity payable in equal monthly installments to the Participant for his lifetime, with 120 payments guaranteed. If a Participant dies before he or she has received 120 monthly payments, then any balance of guaranteed payments shall be paid in a single sum to the Participant's Beneficiary within 90 days following the Participant's death. A Participant's designation of a Beneficiary to receive the balance of the guaranteed payments may be made or changed until the earlier of the Participant's death or the expiration of the guaranteed period; or

(c) A joint and survivor annuity with any individual Beneficiary designated by the Participant, payable in equal monthly installments for the Participant's lifetime and with 25%, 50%, 75% or 100%, as elected by the Participant, of the amount of such monthly installment payable after the death of the Participant to the designated Beneficiary of such Participant, if then living, for the life of such designated Beneficiary. A Participant's designation of a Beneficiary under a joint and survivor annuity may not be changed on or after the benefit start date for the Supplemental Pension. If a Participant's Beneficiary dies before the benefit start date for the Supplemental Pension, but after the Participant has elected a joint and survivor annuity, the election shall automatically be revoked and the Supplemental Pension shall be paid in the form set forth in Section 3.1. Notwithstanding the foregoing, the percentage payable to the Participant's Beneficiary (unless the Beneficiary is the Participant's spouse) after the Participant's death may not exceed the applicable percentage from the table set forth in Appendix C of the Pension Plan.

The election described in this Section 3.2 must be made in writing, in the form prescribed by the Administrator, at least six (6) months before, and no later than the tax year of the Participant immediately preceding, the benefit start date for the Supplemental Pension. Any optional form of benefit described in this Section 3.2 shall be the actuarial equivalent of the normal form of benefit described in Section 3.1, disregarding the value of any subsidized survivor annuity benefit, and based on the applicable factors set forth in the Pension Plan used for purposes of determining actuarial equivalence of such optional form of benefit.

3.3 Payments For Certain Retirements Under Section 2.2(b). If a Participant has a Separation from Service on an Early Supplemental Pension Retirement Date, and at such Separation from Service either is not vested in or is not eligible to start a pension under the Pension Plan, payment of his Supplemental Pension shall be made in the form of a single life annuity. The Participant is not eligible to elect payment of his Supplemental Pension in any other form.

3.4 Special Payments.

(a) Michael A. Paras. The amount of the Supplemental Pension payable to Michael A. Paras under Article Two shall be paid on its scheduled payment date in the form of a single sum payment determined by converting the single life annuity into a single sum payment using (1) an interest rate that is equal to the adjusted first, second, and third segment rates applied under rules similar to the rules of Section 430(h)(2)(C) of the Code for the month before the date of distribution or such other time as the Secretary of the Treasury may prescribe, as described in Section 417(e)(3) of the Code and as published from time to time by the Secretary of the Treasury and (2) the mortality table referred to in Revenue Ruling 2007-67 (or such other mortality table as may subsequently be in effect) for Benefit Payment Dates occurring on or after January 1, 2009.

(b) Jeff M. Crandall. The amount of the Supplemental Pension payable to Jeff M. Crandall under Article Two shall be paid on its scheduled payment date in the form of a single sum payment determined by converting the joint and survivor annuity into a single sum payment using (1) an interest rate that is equal to the adjusted first, second, and third segment rates applied under rules similar to the rules of Section 430(h)(2)(C) of the Code for the month before the date of distribution or such other time as the Secretary of the Treasury may prescribe, as described in Section 417(e)(3) of the Code and as published from time to time by the Secretary of the Treasury and (2) the mortality table referred to in Revenue Ruling 2007-67 (or such other mortality table as may subsequently be in effect) for Benefit Payment Dates occurring on or after January 1, 2009; provided that Jeff M. Crandall is not entitled to receive any payment from a nonqualified deferred compensation plan required to be aggregated with the Supplemental Plan (409A Non-Grandfathered Component) under the regulations promulgated under Section 409A of the Code and the amount of the single sum payment does not exceed the applicable dollar amount under Section 402(g)(1)(B) of the Code.

(c) Arnold R. Robinson. Notwithstanding Section 3.1, the benefit payable to Arnold R. Robinson under Article Two hereof shall be paid on its scheduled payment date in the form of a single sum payment, the amount of which shall be determined by converting the single life annuity (including for this purpose, the benefit described in Section 2.6(a)) into a single sum payment by using the applicable interest rate and mortality assumptions of Section 2.05(c) of the Pension Plan and treating such scheduled payment date as the "Benefit Payment Date" for purposes of Section 2.05(c) of the Pension Plan; provided that Arnold R. Robinson is not entitled to receive any payment from another nonqualified deferred compensation plan required to be aggregated with the Supplemental Plan (409A Non-Grandfathered Component) under the regulations promulgated under Section 409A of the Code and the amount of the single sum payment does not exceed the applicable dollar amount under Section 402(g)(1)(B) of the Code for the 2017 calendar year.

ARTICLE FOUR

Vesting

4.1 Termination Prior to Vesting.

(a) Except as provided in Section 2.7, a Participant who has a Separation from Service before Early or Normal Retirement Date, and before completion of 5 years of actual Vesting Service under the Pension Plan (treating as actual service for this purpose, service described in Section

1.3(s)(ii) or credited under Section 2.7) shall not be entitled to any benefit under this Supplemental Plan (409A Non-Grandfathered Component); provided, however, that the Chief Executive Officer of Union Pacific may reduce the required years of actual Vesting Service to 3 if the Chief Executive Officer of Union Pacific determines that such change would not be disadvantageous to the Company in the case of any Participant. The Chief Executive Officer of Union Pacific shall make such determination by the date the Participant terminates Employment.

(b) If a Participant described in Section 4.1(a) returns to Employment and subsequently becomes vested in the Supplemental Plan (409A Non-Grandfathered Component) benefit that was forfeited under Section 4.1(a), such benefit shall commence on the first day of the month following the later of the date the Participant becomes vested or the Participant's attainment of age 55 (even if the Participant is still in the Employment of the Company on such date by reason of his or her reemployment).

4.2 Termination After Vesting. Except as provided in Section 2.7 or Articles Five and Eleven, a Participant who has a Separation from Service before Normal or Early Retirement Date and before Early Supplemental Pension Retirement Date but after (i) completing 5 (or 3, if applicable) years of actual Vesting Service under the Pension Plan (treating as actual service for this purpose, service described in Section 1.3(s)(ii) or credited under Section 2.7) shall be entitled to receive, commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55, the Normal Supplemental Pension computed under Section 2.1 as of the date the Participant had a Separation from Service.

In determining any Supplemental Pension to be paid to the Participant commencing prior to Normal Retirement Date, (I) the amounts described in Sections 2.1(a) and 2.1(c) shall be adjusted for early payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (taking into account any additional years of age described in Section 1.3(e)(ii) for purposes of adjusting both the gross and offset portions of the benefit, and regardless of whether the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date), and (II) the amount described in Section 2.1(b) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Pension Plan benefit starts on that date).

4.3 Form of Vested Benefit.

(a) Benefits Payable Under Supplemental Plan and Pension Plan. If a Participant is entitled to benefits under both the Supplemental Plan (409A Non-Grandfathered Component) and the Pension Plan, the Supplemental Pension determined under Section 4.2 shall be paid:

(i) to the Participant, if he or she is not married, on his or her benefit start date in the form of a single life annuity payable in equal monthly installments to the Participant for his or her lifetime; or

(ii) to the Participant, if he or she is married, on his or her benefit start date in the form of a joint and survivor annuity with the Participant's spouse (determined as of the benefit start date) as the beneficiary, payable in equal monthly installments for the Participant's lifetime and with 50% of the amount of such monthly installment payable after the death of the Participant to such spouse, if then living, for the life of such spouse. Notwithstanding the foregoing, the Participant may elect, in lieu of the normal form of benefit set forth in Section 4.3(a)(i) or (ii), as applicable, to be paid in any of the forms described in Section 3.2, and shall be subject to adjustment for form of payment and the same Beneficiary designation applicable to the Participant's Pension Plan benefit.

(b) No Benefits Payable Under Pension Plan. In the event a Participant is entitled to a benefit from the Supplemental Plan (409A Non-Grandfathered Component) but is not vested in a benefit under the Pension Plan, the Participant shall receive payment of his Supplemental Pension determined under Section 4.2 in the automatic form of payment described in Section 8.02 of the Pension Plan, as adjusted for form of payment and the same Beneficiary designation applicable to the Participant's Pension Plan benefit, that would have applied to the Participant had he been eligible for and started payment under the Pension Plan on the same day.

ARTICLE FIVE

Certain Employee Transfers

5.1 Transfers into Supplemental Plan from Resources Supplemental Plan. If any employee who is a participant in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates is transferred on or before October 15, 1996 to the Company and becomes a Participant after such transfer, such employee shall retain no rights in the other supplemental pension plan and shall receive all benefits to which entitled under this Supplemental Plan (409A Non-Grandfathered Component), based upon Total Credited Service and Total Offset Service which shall include, as to such employee, any service which would have been used in determining the Participant's benefits under such other supplemental pension plan.

5.2 Transfers to Resources Supplemental Plan. If a Participant is transferred on or before October 15, 1996 to an Affiliated Company participating in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates and becomes a participant in the supplemental pension plan of the Affiliated Company after such transfer, such former Participant shall retain no rights in this Supplemental Plan if such other supplemental pension plan has provisions that substantially conform to the transfer provisions for the protection of transferees that are contained in Section 5.1.

5.3 No Duplication of Benefits. There shall under no circumstances be any duplication of benefits under this Supplemental Plan or any supplemental pension plan of an Affiliated Company or former Affiliated Company by reason of the same period of employment.

ARTICLE SIX

Pre-Retirement Survivor's Benefit

6.1 Eligibility. The Surviving Spouse of a Participant who either (a) has a Separation from Service due to death, or (b) (i) has a Separation from Service other than due to death after becoming entitled to a Supplemental Pension under Article Two or Article Four, and (ii) dies prior to the commencement of payment of the Supplemental Pension shall receive the benefit determined pursuant to Section 6.2.

6.2 Surviving Spouse's Benefit.

(a) Subsidized Death Benefits.

(i) Except as provided in subsection (ii), the benefit payable to the Surviving Spouse of a Participant described in Section 6.1

who dies:

(A) before his or her Separation from Service and before Early or Normal Retirement Date under the terms of the Pension Plan;

(B) before his or her Separation from Service and after Early or Normal Retirement Date under the terms of the Pension Plan; or

(C) after his or her Separation from Service, providing such Separation from Service occurred after Early or Normal Retirement Date under the terms of the Pension Plan,

shall be a monthly annuity payable for the Surviving Spouse's life. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension such Participant would have received (assuming, for a Participant described in Section 6.1(a), the Participant had vested) in the form of a single life annuity, if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3. Notwithstanding anything in the Supplemental Plan (409A Non-Grandfathered Component) to the contrary, the Surviving Spouse's benefit with respect to a Participant described in (A), above, shall be determined by applying, for purposes of any adjustment for payment prior to Normal Retirement Date, the early retirement reduction factors of Section 6.03 of the Pension Plan.

(ii) The benefit payable to the Surviving Spouse of a Participant described in Section 6.1, who dies other than under circumstances described in Section 6.2(a)(i) or 6.2(a)(ii) but after becoming eligible for an Early Supplemental Pension under Section 2.2 based on an Early Supplemental Pension Retirement Date, shall be an annuity payable for the Surviving Spouse's life calculated as follows. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension in the form of a single life annuity calculated for the Participant as described in Section 2.2(b) as if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3.

(iii) In addition to any other benefit due to the Surviving Spouse under this Supplemental Plan (409A Non-Grandfathered Component), if a Participant dies while a Disabled Participant but before Early or Normal Retirement Date under the terms of the Pension Plan (as determined for purposes of the Additional Disability Pay Benefit), the Surviving Spouse shall be entitled to an additional monthly annuity payable for the Surviving Spouse's life. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Additional Disability Pay Benefit such Disabled Participant would have received (assuming the Disabled Participant had vested) in the form of a single life annuity, if the Disabled Participant had survived (but accrued no additional benefits after death) and started his Additional Disability Pay Benefit on the date the Supplemental Plan (409A Non-Grandfathered Component) benefits described in this Section 6.2(a)(iii) begin to the Surviving Spouse under Section 6.3. Notwithstanding anything in the Supplemental Plan (409A Non-Grandfathered Component) to the contrary, the Surviving Spouse's benefit described in this Section 6.2(a)(iii) shall be determined by applying, for purposes of any adjustment for payment prior to Normal Retirement Date, the early retirement reduction factors of Section 6.03 of the Pension Plan.

(b) **Non-Subsidized Death Benefits.** The benefit payable to the Surviving Spouse of a Participant described in Section 6.1 who dies under circumstances other than those described in Section 6.2(a) shall be an annuity payable for the Surviving Spouse's life with monthly payments equal to 50% of the monthly Supplemental Pension the Participant would have received in the form of a Qualified Joint and Survivor Annuity determined as if the Participant had survived (and accrued no additional benefits after his death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3.

6.3 Timing of Surviving Spouse's Benefit. The benefit to which a Surviving Spouse of a Participant shall be entitled pursuant to Section 6.2(a) or (b) shall be paid monthly to such Surviving Spouse, commencing as of the first day of the month following the later of the Participant's death or the date the Participant would have attained age 55. Payments to the Surviving Spouse shall end with the payment made for the month in which the Surviving Spouse dies.

ARTICLE SEVEN

Funding

The Company's obligations hereunder shall constitute a general, unsecured obligation of the Company payable solely out of its general assets, and no Participant or former Participant shall have any right to any specific assets of the Company. To the extent that any Participant or former Participant acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. The Board of Directors of Union Pacific may, but shall not be required to, authorize Union Pacific to establish a trust to hold assets to be

used to discharge the Company's obligations hereunder, provided that such trust shall not confer upon Participants or former Participants any rights other than the rights of unsecured general creditors of the Company.

ARTICLE EIGHT

Administration

8.1 Responsibilities and Powers of Administrator. Except for the responsibilities and powers elsewhere herein given specifically to the Board of Directors of Union Pacific, the Administrator shall have all responsibilities for the operation and administration of the Supplemental Plan and shall have all powers and discretionary authority necessary to carry out those responsibilities hereunder. Without limiting the generality of the foregoing, the Administrator shall have full power and discretionary authority to:

- (a) keep and maintain such accounts and records with respect to Participants and former Participants as are deemed necessary or proper;
- (b) determine all questions of the eligibility for participation and benefits and of the status and rights of Participants, former Participants, and any other person hereunder, make all required factual determinations, interpret and construe the Supplemental Plan in connection therewith and correct defects, resolve ambiguities therein and supply omissions thereto;
- (c) adopt from time to time mortality and other tables and interest rates upon which all actuarial calculations shall be based, including the determination of the appropriate factors for the adjustment of pension payments; and
- (d) adopt from time to time rules and regulations governing this Supplemental Plan.

The Administrator shall carry out all responsibilities and exercise all powers in accordance with the terms of the Supplemental Plan. The determination of the Administrator as to any questions involving the responsibilities hereunder shall be final, conclusive and binding on all persons.

8.2 Certification and Payment of Benefits. The Administrator shall compute the amount and manner of payment of benefits to which the Participants, former or retired Participants, Surviving Spouses and beneficiaries become entitled. All payments of benefits shall be made directly by the Company upon the instructions of the Administrator.

8.3 Reports to Board of Directors. As the Administrator deems necessary or proper or as the Board of Directors of Union Pacific may require, but in any event at least once during each calendar year, the Administrator shall report to such Board on the operation and administration of the Supplemental Plan and on any other matter concerning the Supplemental Plan deemed advisable or required by such Board.

8.4 Designation and Delegation. The Administrator may designate other persons to carry out such of the responsibilities hereunder for the operating and administration of the Supplemental Plan as the Administrator deems advisable and delegate to the persons so designated such of the powers as the Administrator deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Administrator shall have the same force and effect for all purposes as if such action or determinations had been made or taken by the Administrator.

8.5 Outside Services. The Administrator may engage counsel and such clerical, medical, financial, actuarial, accounting and other specialized services as is deemed necessary or desirable for the operation and administration of the Supplemental Plan. The Administrator and persons so designated shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.

8.6 Expenses. All expenses, including any fees for outside services under Section 8.5, incurred by the Administrator and by persons designated by the Administrator under Section 8.4 in the operation and administration of the Supplemental Plan shall be paid by the Company. Neither the Administrator nor any other person who is an employee of the Company or an Affiliated Company shall receive any compensation solely for services in carrying out any responsibility hereunder.

8.7 Bonding. No bond or other security shall be required of the Administrator or of any person designated under Section 8.4.

8.8 Liability. The Administrator and persons designated by him under Section 8.4 shall use ordinary care and diligence in the performance of their duties. The Company shall indemnify and defend the Administrator and each other person so designated under Section 8.4 against any and all claims, loss, damages, expense (including reasonable counsel fees), and liability arising from any action or failure to act or other conduct in their official capacity, except when the same is due to the gross negligence or willful misconduct of the Administrator or other persons.

8.9 Finality of Actions. Any action required of Union Pacific, the Company, the Board of Directors of Union Pacific, or the Chief Executive Officer of Union Pacific (the "CEO") under this Supplemental Plan, or made by the Administrator acting on their behalf, shall be made in the Company's, the Board's or the CEO's sole discretion, not in a fiduciary capacity and need not be uniformly applied to similarly situated persons. Any such action shall be final, conclusive and binding on all persons interested in the Supplemental Plan.

ARTICLE NINE

Amendment or Termination

9.1 Amendment or Termination. The Board of Directors of Union Pacific, acting by written resolution, reserves the right to modify, alter, amend or terminate the Supplemental Plan from time to time and to modify, withdraw or terminate the Supplemental Plan, to any extent that it may deem

advisable; provided, that no such modification, alteration, amendment or termination shall impair any rights which have accrued to Participants hereunder to the date of such modification, alteration, amendment or termination. Notwithstanding the foregoing, (i) prior to March 1, 2013 the Senior Vice President - Human Resources of Union Pacific; and (ii) on and after March 1, 2013 the Vice President-Human Resources of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or Union Pacific with similar authority, may make all technical, administrative, regulatory and compliance amendments to the Supplemental Plan, and any other amendment that will not significantly increase the cost of the Supplemental Plan to the Company, as he or she shall deem necessary or appropriate.

ARTICLE TEN

General Provisions

10.1 Certain Rights Reserved. Nothing herein contained shall confer upon any Employee or other person the right (a) to continue in Employment or service of the Company or affect any right that the Company may have to terminate the Employment or service of (or to demote or to exclude from future participation in the Supplemental Plan) any such Employee or other person at any time for any reason, (b) to participate in the Supplemental Plan, or (c) to receive an annual base salary of any particular amount.

10.2 Alienability of Benefits.

(a) Payments under the Supplemental Plan may not be assigned, transferred, pledged or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same. Compliance with the provisions and conditions of any domestic relations order assigning a portion of a Participant's benefit to an alternate payee (as defined in Section 414(p)(8) of the Code) ("Alternate Payee") relating to an individual's Supplemental Plan benefits, which the Administrator (i) has determined is a lawful order of a domestic relations court and (ii) has approved as consistent with the terms of the Supplemental Plan (a "DRO" or "Approved DRO"), shall not be considered a violation of this provision. An Approved DRO must identify the Alternate Payee and this Supplemental Pension Plan (409A Non-Grandfathered Component) as the plan to which the DRO applies, describe the amount payable to the Alternate Payee (or the formula by which such amount may be determined), and must not provide for any type or form of benefit not provided under the Supplemental Plan (409A Non-Grandfathered Component), require the Supplemental Plan (409A Non-Grandfathered Component) to provide increased benefits (determined on the basis of actuarial value) or require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee in accordance with another previously Approved DRO.

(b) The benefit assigned to an Alternate Payee in accordance with an Approved DRO shall be paid in the form of (i) an actuarially-equivalent (using factors set forth in the Pension Plan) single life annuity payable in equal monthly installments to the Alternate Payee for his or her lifetime, or (ii) subject to Section 10.2(d), a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) as, when and if payable. No other forms of payment to an Alternate Payee are available.

(c) Payment of the Alternate Payee's benefit shall commence as follows:

(i) if the Alternate Payee's benefit under the Supplemental Plan (409A Non-Grandfathered Component) is payable in the form of a single life annuity for the lifetime of the Alternate Payee, as of the first day of any month specified in the DRO or elected by the Alternate Payee in accordance with terms of the DRO; provided, however, that payment of such benefit shall not commence prior to the later of: (A) the first day of the month next following the date the Participant attains Earliest Retirement Age (as defined in Section 414(p)(4)(B) of the Code); or (B) the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee. Furthermore payment of such benefit shall commence not later than the later of: (X) the Participant's Normal Retirement Date; or (Y) the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee.

(ii) if the DRO assigns a benefit to the Alternate Payee of a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) as, when and if payable, such benefit shall commence on the later of: (A) the date on which payments to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) commence; or (B) the first day of the month coinciding with or next following the date specified in the DRO; provided, however, in no case shall payment of such benefit commence prior to the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee. Subject to Section 10.2(d), payments under the form described in this Section 10.2(c)(ii) shall cease as of the payment due for the month in which the death of the Participant or Alternate Payee occurs, whichever occurs first, or as of such earlier date specified in the DRO.

(d) No Alternate Payee shall have the right with respect to any benefit payable by reason of a DRO to designate a beneficiary with respect to amounts becoming payable under the Supplemental Plan (409A Non-Grandfathered Component), except in the case of a DRO assigning a benefit to the Alternate Payee of a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component), but only to the extent that such beneficiary could be an Alternate Payee with respect to the Participant's benefit.

10.3 Payment Due an Incompetent. If it shall be found that any person to whom a payment is due hereunder is unable to care for that person's affairs because of physical or mental disability, as determined by a licensed physician, the Administrator shall have the authority to cause the

payments becoming due such person to be made to the legally appointed guardian of any such person or to the spouse, brother, sister, or other person as it shall determine. Payments made pursuant to such power shall operate as a complete discharge of the Company's obligations.

10.4 Governing Law. The Supplemental Plan shall be construed and enforced in accordance with the laws of the State of Nebraska (without regard to the legislative or judicial conflict of laws rules of any state), except to the extent superseded by any federal law.

10.5 Successors. This Supplemental Plan shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidated or otherwise) to all or substantially all of the business and/or assets of the Company in the same manner and to the same extent that the Company would be bound to perform if no such succession had taken place.

10.6 Titles and Headings Not To Control. The titles and Articles of the Supplemental Plan and the headings of Sections and subsections of the Supplemental Plan are placed herein for convenience of reference only and, as such, shall have no force and effect in the interpretation of the Supplemental Plan.

10.7 Severability. If any provisions of the Supplemental Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part, the unlawfulness, invalidity, or unenforceability shall not affect any provision of the Plan or part thereof, each of which shall remain in full force and effect.

10.8 Determination and Withholding of Taxes. The Administrator shall have full authority to satisfy the responsibility of Union Pacific or any Affiliated Company to withhold taxes with respect to a Participant or former Participant, including FICA taxes, by withholding such taxes from any distributions under the Plan to the Participant or former Participant or his beneficiary or estate. The Administrator shall also have full authority, with or without the consent of the Participant or former Participant, to withhold from the individual's compensation from any and all sources, any FICA or other taxes applicable to benefits accrued under the Supplemental Plan.

10.9 Interpretation. This Supplemental Plan (409A Non-Grandfathered Component) is intended to satisfy the requirements of Section 409A of the Code, shall be interpreted in a manner consistent with such intent, and has been operated in reasonable good faith compliance with the requirements of Section 409A during the period of January 1, 2005 through December 31, 2008.

ARTICLE ELEVEN

Transfers to Non-Covered Employment

11.1 Notwithstanding any other provision of this Supplemental Plan (409A Non-Grandfathered Component) to the contrary, if a Participant is transferred to the employment of an Affiliated Company that has not adopted the Supplemental Plan ("non-covered employment"), upon the approval of the Chief Executive Officer of Union Pacific, any benefits to which such Participant (or his Surviving Spouse or other beneficiary) would be entitled under the Pension Plan, the Supplemental Plan (409A Non-Grandfathered Component), or both, by treating such Participant's non-covered employment as if it were service covered by such Plans and by aggregating such service with the Participant's other service covered by the Plans shall be provided to the Participant under this Section 11.1 to the extent that such benefits exceed the aggregate of (a) the Participant's benefits under the Pension Plan, (b) the Participant's benefits under the Supplemental Plan (409A Non-Grandfathered Component) determined without regard to this Section 11.1, and (c) the Participant's benefits under any pension plan of the Affiliated Company that are based on the Participant's non-covered employment and/or employment otherwise covered by the Pension and Supplemental Plans.

ARTICLE TWELVE

Claims Procedure

12.1 Application for Benefits. Each Participant, former Participant, Surviving Spouse or other beneficiary, or alternate payee under a domestic relations order believing himself or herself eligible for a benefit under this Supplemental Plan shall apply for such benefit by completing and filing with the Administrator an application for benefits on a form supplied by the Administrator.

12.2 Claims. The following provisions are effective on and after January 1, 2002:

(a) Claim for Benefits. A claim for Supplemental Plan benefits may be filed by:

(i) any person (or his duly authorized representative) who has applied for and/or received benefits from the Supplemental Plan pursuant to Section 12.1 and who believes that the amount and/or form of benefits provided (including no benefits) or any change in or termination or reduction of benefits previously provided results in a denial of benefits to which he is entitled for any reason (whether under the terms of the Supplemental Plan or by reason of any provision of law); or

(ii) any Employee or other individual (or his duly authorized representative) who believes himself to be entitled to benefits from the Supplemental Plan.

A claim for benefits must be filed with the Administrator, in writing and in accordance with such other requirements as may be prescribed by the Administrator. Any claim shall be processed as follows:

(A) When a claim for benefits has been filed by the claimant (or his duly authorized representative), such claim for benefits shall be evaluated and the claimant shall be notified by the Administrator of the approval or denial within a reasonable period of time, but not later than 90 days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-

day period and shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than 180 days after the date on which the claim was received).

(B) A claimant shall be given written notice in which the claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the claimant shall be given written notice which shall contain (I) the specific reasons for the denial, (II) references to the specific Supplemental Plan provisions upon which the denial is based, (III) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, (IV) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, (V) the claimant's rights to seek review of the denial and time limits and other aspects of the Supplemental Plan's claim review procedures, and (VI) a statement of the claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination upon review.

(b) Review of Claim Denial. If a claim for benefits is denied, in whole or in part, the claimant (or his duly authorized representative) shall have the right to request that the Administrator review the denial, provided that the claimant files in accordance with such requirements as may be prescribed by the Administrator a written request for review with the Administrator within 60 days after the date on which the claimant received written notification of the denial. A claimant (or his duly authorized representative) may review relevant documents, records and other information relevant to the claim (or receive copies free of charge) and may submit to the Administrator with the written request for review documents, records, written comments and other information relevant to the claim for benefits, which shall be considered upon review whether or not such information and other items were available when the claim was originally determined. Requests for review not timely filed shall be barred. A timely request for claim review shall be processed as follows:

(i) Within a reasonable period of time, but not later than 60 days after a request for review is received, the review shall be made and the claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review. If an extension is needed, the claimant shall be given a written notification within such initial 60-day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within 120 days after the date on which the request for review was filed). However, if the period for deciding the claim has been extended under this paragraph (i) due to a claimant's failure to provide information necessary to decide a claim, the period for making a decision on review shall be tolled from the date the claimant is sent written notice of the extension until the date on which the claimant responds to the request for information (or such earlier date as may be prescribed by the Administrator in accordance with applicable law and regulations).

(ii) The decision on review shall be forwarded to the claimant in writing and shall include (A) specific reasons for the decision, (B) references to the specific Plan provisions upon which the decision is based, (C) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and (D) a statement of the claimant's right to bring an action under ERISA section 502(a). A decision on review shall be final and binding on all persons for all purposes.

(c) Exhaustion of Claims Review Process. A claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this Section 12.3.

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Exhibit 21

SIGNIFICANT SUBSIDIARIES OF UNION PACIFIC CORPORATION

Name of Corporation	State of Incorporation
Union Pacific Railroad Company	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Post-Effective Amendment No.1 to Registration Statement No. 33-12513, Registration Statement No. 33-53968, Registration Statement No. 33-49785, Registration Statement No. 33-49849, Registration Statement No. 333-10797, Registration Statement No. 333-88709, Registration Statement No. 333-42768, Registration Statement No. 333-106707, Registration Statement No. 333-106708, Registration Statement No. 333-105714, Registration Statement No. 333-105715, Registration Statement No. 333-116003, Registration Statement No. 333-132324, Registration Statement No. 333-155708, Registration Statement No. 333-170209, Registration Statement No. 333-170208, Registration Statement No. 333-188671, Registration Statement No. 333-260789, Registration Statement No. 333-260788, and Registration Statement No. 333-256460, Registration Statement No. 333-276121, and Registration Statement No.333-276122 on Form S-8, Registration Statement No. 333-214407, Registration Statement No. 333-236860, Registration Statement No. 333-258422, and Registration Statement No. 333-252948 on Form S-4, and Registration Statement No. 333-201958, Registration Statement No. 333-222979, and Registration Statement No. 333-252947 on Form S-3 of our reports dated February 10, 2023 February 9, 2024, relating to the

consolidated financial statements of Union Pacific Corporation and Subsidiary Companies (the Corporation), and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

February **10, 2023** **9, 2024**

Exhibit 24

UNION PACIFIC CORPORATION

Powers of Attorney

Each of the undersigned directors of Union Pacific Corporation, a Utah corporation (the Company), do hereby appoint each of **Lance M. Fritz** **V. James Vena** and **Craig V. Richardson** his or her true and lawful attorney-in-fact and agent, to sign on his or her behalf the Company's Annual Report on Form 10-K, for the year ended December 31, **2022** **2023**, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney as of February **9, 2023** **8, 2024**.

/s/ William J. DeLaney

/s/ **Jane H. Lute**

Michael R. McCarthy

Jane H. Lute

Michael R. McCarthy

William J. DeLaney

/s/ David B. Dillon

/s/ **Michael Doyle R. McCarthy** **Simons**

Michael Doyle R. McCarthy

Simons

David B. Dillon

/s/ Sheri H. Edison

/s/ **Jose H. Villarreal** **John K. Tien**

Sheri H. Edison

Jose H. Villarreal **John K. Tien**

/s/ Teresa M. Finley

/s/ **Christopher J. Williams** **John P. Wiehoff**

Teresa M. Finley

Christopher J. Williams

John P. Wiehoff

/s/ Deborah C. Hopkins

/s/ **Christopher J. Williams**

Deborah C. Hopkins

Christopher J. Williams

/s/ **Jane H. Lute**

Jane H. Lute

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, **Lance M. Fritz**, **V. James Vena**, certify that:

1. I have reviewed this annual report on Form 10-K of Union Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Exhibit 31(a)

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

/s/ **Lance M. Fritz** **V. James Vena**

Lance M. Fritz

Chairman, President, and **V. James Vena**

Chief Executive Officer

Exhibit 31(b)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jennifer L. Hamann, certify that:

1. I have reviewed this annual report on Form 10-K of Union Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

/s/ Jennifer L. Hamann

Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Union Pacific Corporation (the Corporation) on Form 10-K for the period ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Lance M. Fritz, Chairman, President, and V. James Vena, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Lance M. Fritz

Lance M. Fritz

Chairman, President, and

Chief Executive Officer

Union Pacific Corporation

By: /s/ V. James Vena

V. James Vena

Chief Executive Officer
Union Pacific Corporation

February 10, 2023 9, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Union Pacific Corporation (the Corporation) on Form 10-K for the period ending December 31, 2022 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jennifer L. Hamann, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer
Union Pacific Corporation
By: /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer
Union Pacific Corporation

February 10, 2023 9, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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