SUMMARY OF MATERIAL MODIFICATION OF THE UNION PACIFIC AGREEMENT EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

The Union Pacific Agreement Employee 401(k) Retirement Thrift Plan ("Plan") has been amended to address the identification of a Participant's Beneficiary under the Plan in the following situations:

<u>Simultaneous Death</u> – If the Plan administrator determines that the order of deaths of the Participant and his or her Beneficiary cannot be determined, the Participant's Beneficiary will be presumed to have predeceased the Participant. This presumption may be rebutted if objective evidence is provided to the Plan administrator that the Beneficiary survived the Participant.

<u>Slayer Beneficiary</u> – If the Plan administrator receives notice that criminal charges have been filed (or may be filed) against the Participant's Beneficiary in connection with the Participant's death, distribution of the Participant's death benefit payable from the Plan will be suspended pending resolution of the criminal charges. A Beneficiary convicted of any such criminal charge will be deemed to have predeceased the Participant and will not receive the Participant's death benefit payable from the Plan.

<u>Alternate Payees</u> – An Alternate Payee who is married must obtain written consent from his or her spouse if the Alternate Payee wishes to designate a person other than his or her spouse as a Beneficiary. If the married Alternate Payee dies without designating a Beneficiary, the Alternate Payee's undistributed Plan account balance will be distributed to the Alternate Payee's surviving spouse. If the Alternate Payee dies without a surviving spouse or having designated a Beneficiary, such balance will be distributed to the Alternate Payee's estate. (An "Alternate Payee" is a person entitled to receive payment of Plan benefits pursuant to a Qualified Domestic Relations Order.)

The above amendments are effective January 16, 2023.

CORRECTION TO THE UNION PACIFIC AGREEMENT EMPLOYEE 401(k) RETIREMENT THRIFT PLAN GUIDE DATED JANUARY 1, 2022

Attached are corrected pages 13 and 15 of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan Guide ("Guide") dated January 1, 2022. The Guide distributed in 2022 incorrectly indicated certain non-hardship withdrawals from the Plan may be paid in cash or shares of Union Pacific Corporation common stock, to the extent the withdrawal is made from amounts invested in the Union Pacific Common Stock Fund. However, the terms of the Plan provide all non-hardship withdrawals are paid in cash, and the enclosed corrected page 13 reflects this treatment.

The "Income Tax Withholding" section on page 15 included the following sentence, "Special rules may apply if all or a portion of your withdrawal includes Company Stock." Enclosed corrected page 15 excludes this sentence, since all Plan withdrawals are made in cash.

If you have a paper copy of the Guide, please replace existing pages 13 and 15 with the enclosed pages. Note, the Guide is also found at https://home.www.uprr.com/e/hr/financial/manage-your-account/summary-plan-descriptions-and-other-disclosures/index.htm and you can print a PDF copy of the full Guide from this site. If you are receiving this SMM electronically, you may request a paper copy of it and the corrected SPD pages by creating a ticket via the link below:
https://www.uprr.com/hrm/hrsc-submit-inquiry/index.html#/pension/create

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This Summary of Material Modification ("SMM") describes changes to the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan ("Plan"). The Union Pacific Agreement Employee 401(k) Retirement Thrift Plan Guide ("Guide") serves as the Plan's Summary Plan Description. Both this SMM and the Guide are subject to the terms of the official Plan document. should there be a difference between the SMM or Guide and the governing Plan document, the Plan document is the final authority. Union Pacific reserves the right to amend or terminate the Plan.

WITHDRAWALS

The main purpose of the Plan is to help you build an account for long-term financial needs in retirement. The Plan permits withdrawals for short-term financial needs, but only within the guidelines contained in the Plan, which are described in this section.

Remember, your Plan account is not a traditional bank savings account. Withdrawals are subject to certain restrictions and possible penalties imposed by the Internal Revenue Code. For example, you must wait at least 30 days from the date you apply for your withdrawal to receive a check (to give you time to consider a rollover), unless you waive the 30-day requirement. You should also read the section entitled "*Income Tax Treatment of Withdrawals*" on Page 15 of this Guide.

There are two categories of withdrawals: non-hardship withdrawals and hardship withdrawals. There are four kinds of non-hardship withdrawals: After-Tax Withdrawals, Rollover Withdrawals, Qualified Birth or Adoption Distributions and Age 59 ½ Withdrawals. Contact Vanguard directly to request a withdrawal. Call ***Vanguard® Participant Services*** on the ***24-hour Vanguard VOICE® Network*** by dialing ***1-800-523-1188.***

Non-hardship Withdrawals

The following non-hardship withdrawals are available to any participant so long as the participant meets the applicable requirements. These withdrawals are paid in cash.

After-Tax Withdrawals:
If you have made After-Tax Contributions to the Plan, you may make unlimited after-tax withdrawals in a flat dollar amount up to the balance of your After-Tax Contributions and earnings on After-Tax Contributions for any reason. Upon withdrawal, earnings on After-Tax Contributions are taxed as ordinary income.

Rollover Withdrawals:
If you received a distribution from a previous employer's plan and rolled over all or a portion of that distribution to this Plan, you may make unlimited rollover withdrawals of the following amounts. You may withdraw in a flat dollar amount all or part of the value of your (a) Rollover After-Tax Account and Rollover Account (in the order named), and/or (b) Rollover Roth Account.

Qualified Birth or Adoption Distributions:
Effective February 1, 2022, you may request a withdrawal in the event of the birth or adoption of a child, provided the withdrawal meets the requirements to be a Qualified Birth or Adoption Distribution ("QBAD"). To be a QBAD:

- the withdrawal must occur within 1 year following the date on which your child is born or legally adopted by you; and
- in the case of an adoption:
  - the adopted child must be under age 18 or physically or mentally incapable of self-support; and
  - the child you're adopting is not the child of your spouse.

When requesting a QBAD from the Plan, you must represent in writing that your requested withdrawal meets the above requirements. Furthermore, to be treated as a QBAD you will be required to report the name, age, and the child's Taxpayer Identification Number (TIN) on your federal income tax return for the taxable year in which the withdrawal is made. Please contact your personal tax advisor for more information.

The maximum amount that may be withdrawn from the Plan as a QBAD is $5,000/child. If you have multiple births or eligible adoptions, you may receive a QBAD up to the maximum amount for each child. In addition, each parent may receive a QBAD up to the maximum amount with respect to the same child. Thus, if both parents participate in the Plan, each parent may elect a QBAD with respect to the same child.

A QBAD will be withdrawn in a proportionate amount from the value of the following accounts (provided contributions have been made to such account by you or on your behalf): (a) After-Tax Contribution Account, Rollover After-Tax Account, Rollover Account, Qualified Non-Elective Contribution Account, Matching Contribution Account, Salary Deferral Account; and/or (b) Rollover Roth Account and Roth Contribution Account. Be aware that taking a QBAD from your Roth Contribution Account could cause the tax benefits of a "qualified distribution" of Roth monies to be lost.

You may elect to recontribute a QBAD into the Plan in certain instances. See the section "Rollovers and Other Special Payments to the Plan" on Page 5 for more information.

Withdrawals On and After Age 59 ½:
Once you reach age 59 ½, you may make unlimited non-hardship Age 59 ½ withdrawals. You may withdraw in a flat dollar amount all or part of the value of your (a) After-Tax Contribution Account, Rollover After-Tax Account, Rollover Account, Qualified Non-Elective Contribution Account, Matching Contribution Account and Salary Deferral Account (in the order named), and/or (b) Rollover Roth

Income Tax Treatment of Withdrawals
Generally speaking, when you receive a withdrawal from the Plan (including a hardship withdrawal or QBAD), your withdrawal (or some portion of it) will be subject to federal income tax at ordinary income rates. However, a withdrawal of After-Tax Contributions is not taxed again, although earnings on such contributions are subject to ordinary income tax. Furthermore, special federal income tax treatment may apply to a withdrawal from your Roth Contribution Account or Rollover Roth Account, depending on whether such withdrawal is a "qualified distribution" from a Roth account.

Because a withdrawal is a distribution from the Plan for federal income tax purposes, the attached Exhibit B, "Special Tax Notice Regarding Plan Distributions" ("Special Tax Notice"), beginning on Page 25 provides helpful information regarding the federal income tax treatment of Plan withdrawals. The Special Tax Notice describes the federal income tax treatment of withdrawals as of January 1, 2022. If you request a withdrawal from the Plan, you will be furnished a summary of the Special Tax Notice at the time of your request. At that time you may request to receive a copy of the then-current Special Tax Notice free of charge.

> The special Roth tax benefits apply only if you take a "qualified distribution" from your Roth Contribution Account or Rollover Roth Account. Generally speaking, a withdrawal is a "qualified distribution" if it is made after you attain age 59½ <u>and</u> satisfies the five-year participation requirement for special Roth tax treatment of investment earnings. See *Roth Contributions* on Page 6 of this Guide. Be sure you understand the requirements for such a "qualified distribution" and follow them exactly. See the Special Tax Notice, and check with your qualified tax advisor.

You are urged to check with your qualified tax advisor to determine the answers to questions that relate to your particular situation. Any state or local tax consequences depend on applicable state or local law. No one at Union Pacific or any of its affiliated companies may give you tax advice.

<u>Income Tax Withholding</u>: When you receive a single sum withdrawal, the taxable portion of the withdrawal will be taxed as ordinary income in the year of the withdrawal. By law, when you receive a withdrawal (other than a hardship withdrawal or QBAD), 20% of the taxable portion must be deducted and withheld for federal income tax purposes, unless the withdrawal is directly rolled over to another eligible retirement plan. You may also owe additional taxes at the end of the year. Hardship and QBAD withdrawals are subject to 10% federal income tax withholding unless you elect no withholding on the hardship or QBAD distribution. See Exhibit B, "Special Tax Notice" beginning on Page 25 of this Guide for more details.

<u>10% Penalty Tax</u>**:** Since the Plan is designed primarily to provide retirement income, the Internal Revenue Code imposes a 10% penalty tax (in addition to ordinary income tax) on most withdrawals prior to you reaching age 59 ½. However, this 10% penalty tax does not apply to certain withdrawals. The payments to which the 10% penalty tax does not apply are described in Exhibit B, "Special Tax Notice" beginning on Page 25.

If applicable, payment of the 10% penalty tax is your responsibility. The Plan will not withhold this tax on your behalf. You can avoid the 10% penalty by rolling over the taxable, rollover eligible portion of your withdrawal to another eligible retirement plan. (See Exhibit B, "Special Tax Notice" beginning on Page 25 for more details.)

FINAL PAYMENT FROM YOUR PLAN ACCOUNT

You become eligible for final payment of your account when you retire or otherwise separate from service with Union Pacific or any of its affiliated companies. Your beneficiary becomes eligible for the balance of your account if you die before taking full payment.

Except as provided in the remainder of this section, final payment from your account can be requested in a single sum only, equal to the full undistributed and vested balance of your account. (If you wish to receive installments in a manner or at a time different from that described in the remainder of this section, you can effectively do so by rolling over your Plan account to an individual retirement account (IRA) and taking installment distributions from your IRA.) A payment to your beneficiary will be made in a single sum only, as soon as practicable following your death, with or without the beneficiary's request for payment.

Generally, single sum payments are made in cash only. The only exception is that you can receive cash or whole shares of stock for that portion of your account invested in the Union Pacific Common Stock Fund. If you do not request that your Union Pacific Common Stock Fund investments be paid in stock, payment will be made in cash.

<u>Deferral of Final Distribution</u>

> **Note**: This section, "Deferral of Final Distribution" describes rules that apply if your Plan account balance has not been fully distributed prior to your attaining age 72. However, if your date of birth is before July 1, 1949, these same rules apply for you, substituting age 70½ for age 72.