

## 401(k) Dividend Pass Through FAQs

### What Change is Happening?

The Union Pacific Common Stock Fund is offered as an investment option in the Union Pacific Corporation Thrift Plan, the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan and the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan. \* This fund invests primarily in shares of Union Pacific Corporation common stock. Historically, all the dividends paid on shares of Union Pacific common stock held in the Common Stock fund were automatically invested in the fund through purchase of additional shares of Union Pacific common stock.

Beginning in October 2023, participants in these plans investing in that fund can elect to receive a cash distribution (by check or direct deposit) of future Union Pacific common stock dividends credited to their plan account. This change provides plan participants with the flexibility to choose whether to receive an immediate distribution of these dividends or reinvest them in their plan account.

The new dividend payment option does not apply with respect to dividends paid on shares of Union Pacific common stock purchased with amounts attributable to a participant's Non-Elective Contribution Account in the Union Pacific Corporation Thrift Plan.

### Why are we changing the plan?

- Provides greater flexibility to plan participants on how they receive dividends.
- Is more tax efficient because it allows UP to deduct dividends paid within the Plans for tax purposes.

### What can plan participants do?

- Take no action and keep reinvesting UP common stock dividends in the fund – this money will be tax-deferred and can increase the value of your thrift plan account.
- Elect to receive dividends as a cash distribution by either check or direct deposit. Note that ordinary income taxes will still need to be paid from dividends distributed, except those dividends distributed with respect to shares purchased in the fund with Roth contributions and the distribution meet the requirements of a qualified Roth distribution.

If you want to receive a cash distribution of your dividends earned in the Union Pacific Company Stock Fund, make your election by logging into your plan account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). Once made, an election to receive dividends in cash will remain in effect until you change it.

### What are the various ways employees can be owners of UP Company Stock?

There are multiple ways employees can become an owner of UP stock in addition to investing in the UP Common Stock Fund in a Union Pacific sponsored thrift plan, including the [Employee](#)

\*Chicago & North Western Railway Company Profit Sharing and Retirement Savings Program is excluded from the dividend pass through feature.

[Stock Purchase Plan \(ESPP\)](#), [retention stock and options](#), and [Computershare direct stock and dividend reinvestment plan](#).

**When do participants need to make election by?**

Participants need to submit their desired election by at least 4 business days prior to the dividend payment date. Elections will then be locked the 3 business days prior to the dividend payment date. For example, for the 12/28/2023 dividend, participants need to make changes by 12/21/2023. Starting 12/22/2023 the election is locked in until after the dividend pays on 12/28/2023. Participants can begin making changes again on 01/02/2024.

**If I have additional questions, who can I contact?**

Call Vanguard at 800-523-1188 or create a [TRM Ticket](#)

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