

UNION PACIFIC CORPORATION

POLITICAL CONTRIBUTIONS POLICY AND PROCEDURES

Corporate Governance – Political Contributions

Union Pacific's railroad system operates in 23 states across the western two-thirds of the United States. As a result, the decisions of federal, state, and local governments affect Union Pacific on a daily basis. Proposals to change existing laws or enact new laws and policy initiatives can impact Union Pacific's business, and in turn affect its employees, retirees, the communities in which it is located, and its shareholders. Union Pacific believes it is appropriate to actively participate in this process, both at a policy making level and through the political process.

Union Pacific takes seriously its role as a good corporate citizen and its highest priority is to fully comply with all federal, state, and local requirements associated with participating in the policy making and political process. This compliance includes reports to the Federal Election Commission on receipts and disbursements from the Company's political action committee (PAC), the Union Pacific Fund for Effective Government, as well as all other applicable reporting and registration requirements at all levels of government.

Union Pacific's Statement of Policy on Ethics and Business Conduct provides that:

1. Federal law and state laws prohibit or limit the Company from contributing to political candidates for elective offices. Federal and foreign laws similarly may prohibit corporate contributions in foreign countries.
2. No direct or indirect use of Company funds shall be made for any illegal political purpose, no matter how small the amount and regardless of whether the payment is thought necessary to promote a legitimate Company activity.

Process and Oversight

Union Pacific has a comprehensive oversight process to ensure that political contributions are made in a legal and ethical manner and that such expenditures best represent the interests of our Company, our employees and our shareholders.

Corporate political contributions are made pursuant to the Company's Delegation of Authority, as established by the Board of Directors, which requires that all corporate contributions be reviewed and approved by the Vice President-External Relations, the Senior Vice President-Corporate Relations or the Vice President-Public Affairs.

Additionally, Union Pacific's Board of Directors receives annual briefings on corporate-wide political spending and lobbying activities. As part of its oversight role, the Corporate Governance and Nominating Committee of Union Pacific's Board of Directors reviews, at least annually, the Company's political contributions, the Company's political contributions policy (as set forth in this document) and any applicable Company guidelines and procedures.

Employee Political Contributions

Union Pacific also encourages its employees to participate actively in community and civic and affairs, and all eligible employees to participate in political affairs, including through the Company's PAC, the Union Pacific Fund for Effective Government (FFEG). FFEG is organized on a strictly voluntary, bipartisan basis and is registered with the Federal Election Commission. FFEG's political contributions are reported monthly to the Federal Election Commission. Detailed information about these donations can be accessed on the U.S. Federal Election Commission website at <http://www.fec.gov>.

PAC Process and Oversight

The Company's Vice President-External Relations is the registered treasurer and oversees the administration of FFEG. In conjunction with this oversight, FFEG contributions are subject to a robust internal review process. A nine person steering committee meets regularly throughout the year to set and review FFEG contributions. FFEG contributions are reviewed to ensure they represent the best interests of the Company, its employees and its shareholders. Checks drawn against FFEG's account must be signed by three authorized officers. Additionally, internal and external controls exist to ensure Company compliance with federally mandated contribution limits.

Trade Associations

Union Pacific belongs to trade associations that represent an array of professional and industrial interests. The trade associations in which the Company participates may engage in lobbying activities. Union Pacific has requested information regarding lobbying expenses from trade associations that received from Union Pacific total dues or payments of \$25,000 or more and who spend more than 10% of their revenues on lobbying activities. See information link for amounts of Union Pacific dues or payments to trade associations that were used for lobbying.

- [Trade Association Information](#)

Lobbying

Union Pacific engages in lobbying in the United States at both the federal and state levels to advocate positions that affect the Company and the railroad industry. The Company files all required quarterly and semi-annual reports pursuant to the federal Lobbying Disclosure Act with the U.S. House of Representatives and the U.S. Senate. These reports are publicly available and provide information on activities affecting legislation through communication with any member or employee of a legislative body or with any covered executive branch official. As required by law, these reports also disclose the Company's lobbying expenditures, describe specific pieces of legislation that were the topic of communication and identify the individuals who lobbied on behalf of the Company. The Company files similar periodic reports as required by state agencies reflecting lobbying activities at the state level, which are also publicly available.

- U.S. House of Representatives Reports - <http://clerk.house.gov>

- U.S. Senate Reports - <http://www.senate.gov>

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