

**UNION PACIFIC CORPORATION  
STATEMENT OF POLICY  
CONCERNING BUSINESS CONDUCT AND ETHICS**

---

**I. PURPOSE.**

The purpose of this policy is to convey the basic principles of business conduct expected of all employees. The policy is general in nature and not intended to be all inclusive. The fact that a certain action or activity is not mentioned as improper does not imply that it is permissible. For questions relating to questionable conduct, interpretation of the policy or to report exceptions or violations, please refer to Section V below.

When used in this policy, "Corporation" means Union Pacific Corporation and its subsidiary companies.

**II. INTRODUCTION.**

A high standard of ethical business conduct is the responsibility of each employee. The good name of any corporation depends on the way it conducts its business and the way the public perceives that conduct. Unethical actions, or the appearance of unethical actions, are not acceptable. Employees are expected to apply the following principles of behavior in carrying out their business duties:

1. *Loyalty.* No employee should be, or appear to be, subject to influences, interests or relationships that conflict with the best interests of the Corporation.
2. *Compliance with Applicable Laws.* The Corporation and its employees are expected to comply with laws, rules and regulations applicable to the Corporation's activities.
3. *Observance of Ethical Standards.* In the conduct of business, each employee must adhere to high ethical standards. These include honesty (i.e., truthful dealing with everyone, including customers, suppliers, shareholders and fellow employees) and fairness (i.e., treating another in the same manner as one would expect to be treated). No employee should take advantage of any party through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or any other unfair dealing practice.

**III. CONFLICT OF INTEREST.**

1. Employees and their families must avoid knowingly acquiring any direct or indirect interest in:

- (i) any transaction where the Corporation is or may become a party;
- (ii) any property that the Corporation may acquire; or
- (iii) any entity with which the Corporation is or may be dealing,

except where full disclosure of all facts is made to the Corporation in advance to permit it to protect its interests. An employee interest may be stock, a note or other equity or creditor interest, employment or other affiliation, or other relationship providing remuneration. This paragraph is not intended to apply to ownership of a security of any corporation which is publicly traded in a nationally quoted market, but the acquisition of such security must not be in violation of Sections III.2(iii) or IV.2 below. See Section III.7 regarding family and indirect interests.

2. Following are some examples of situations that would involve a conflict of interest:
  - (i) Acquiring any direct or indirect interest in land or other property in which, to the knowledge of the employee, the Corporation has an interest or may wish to acquire an interest, whether as purchaser, lessee or otherwise.
  - (ii) Acquiring any direct or indirect interest in, or having material dealings with, any person or entity which, to the knowledge of the employee, supplies or is likely to supply the Corporation with property, materials or services, or is otherwise contracting or is likely to contract with the Corporation. Borrowings by an employee from a commercial bank or savings and loan institution are not covered by this statement.
  - (iii) Acquiring any interest, with a value which is significant to the employee, in a competitor of the Corporation. Among the factors used to determine what is "significant" are (1) the dollar amount of the interest, and (2) the percentage of the employee's total net worth that the interest represents. The amount and significance of the portion of the competitor's business that is competitive with the Corporation should also be considered.
  - (iv) Accepting from any customer or supplier or other person contracting with the Corporation, any gift, service, loan or other thing of value if acceptance would affect or give the appearance of affecting the employee's judgment in dealing with the customer, supplier or contractor, or others.
3. Employees must not reveal any confidential, proprietary or nonpublic information about the Corporation or its affairs or personnel under any circumstances without authorization, and may not use this information for the benefit of anyone other than the Corporation.
4. Employees may not take advantage of or divert to others any business or financial opportunity in which they could reasonably anticipate the Corporation might be

- interested. Without prior appropriate management approval, an employee may not divert to his or her personal benefit any invention, know-how, technology or computer program which the employee has developed or learned of in the course of his or her employment and which the employee has reason to know may be useful to the Corporation in its ongoing business.
5. Employees should only use the Corporation's assets, property or personnel for the Corporation's legitimate business objectives and, with prior appropriate management approval, for other limited purposes (such as charitable contributions and activities).
  6. Employees should devote their full time and ability during the regular hours of employment to the Corporation's service. Involvement in an outside business enterprise that may require attention during business hours and prevent full-time devotion to duty is prohibited. Even if the outside involvement does not affect full-time performance of duties, there are legal considerations which relate to service by employees of the Corporation as directors or officers of another corporation. Therefore, prior to acceptance of an invitation to serve as a director or officer of any other corporation, the matter must be first disclosed to and approved by the Corporation. Outside engagements of a non-business nature that are reasonable commitments to social welfare, health, education or religious organizations need not receive prior approval.
  7. Employees may not do indirectly that which is prohibited explicitly by this statement. In addition, an employee will be considered to have an interest in a matter if an individual related by blood or marriage to such employee has an interest in the matter.

#### **IV. ADHERENCE TO APPLICABLE LAWS AND OBSERVANCE OF ETHICAL STANDARDS.**

All employees are expected to comply with the letter and spirit of all applicable laws, rules and regulations, federal, state, local or foreign, and to observe high ethical standards. In particular, employees should be aware of the following areas:

1. *Antitrust Compliance.* Compliance with the antitrust laws is the policy of the Corporation. Employees are expected to maintain a basic familiarity with the principles and purposes of the antitrust laws as they may be applied to the Corporation's business, and to abstain from any activity that violates such laws. Such activities include, among other things, any understanding or agreement between competitors regarding prices, terms of sale, division of markets, or any other activity that restrains competition.
2. *Insider Trading.* Trading in securities of the Corporation (including within the Corporation's 401(k) plan) or another entity, or tipping others who may engage in such trading, while the employee has material nonpublic information, violates the policy of the Corporation and is generally illegal. In addition to discipline by the

Corporation, such trading can result in civil penalties of up to three times the profit made or loss avoided on the trade, or criminal penalties including fines of up to \$1 million and imprisonment for up to ten years. "Material" information for this purpose is any information that could affect a decision to buy or sell securities. Examples are: proposed major acquisitions or divestitures, changes in current or anticipated earnings or dividends, major changes in contractual arrangements or other significant business developments. Information is considered "nonpublic" if it has not been distributed in a manner that makes it available to investors generally. Further information on insider trading is set forth in the separate policy statement on insider trading that has been distributed to employees. The Corporation expects its employees to strictly adhere to this policy.

3. *Bribery.* The Corporation will not tolerate its employees engaging in the offering, promising or payment of anything of value, intended to influence illegally any governmental official or any other person in the United States or a foreign country.
4. *Integrity of Records, Funds, Assets and Financial Reporting.* Accurate and reliable preparation and maintenance of all Corporation records is of critical importance to proper management decisions and fulfillment of the Corporation's financial, legal and reporting obligations. Diligence in accurately preparing and maintaining the Corporation's financial records allows the Corporation to fulfill its financial reporting obligations and to provide shareholders with information that is complete, accurate and understandable. All transactions must be properly documented and accounted for on the books and records of the Corporation. No off-book funds or transactions are allowed. All reports, vouchers, bills, invoices, payroll and service records, business measurement and performance records, and other essential data are to be prepared and maintained with care and honesty. Such data must not be falsified or altered to conceal or distort assets, liabilities, revenues, expenses or performance measures. Employees are responsible for safeguarding Corporation assets and properties under their control and for providing an auditable record of transactions relating to the use or disposition of such assets and properties.
5. *Record Retention, Preservation and Appropriate Destruction.* The Corporation is committed to efficient and economical management of its business records to comply with all legal and business requirements. Business records should be retained in compliance with the Corporation's separate policy statement on records and information management and associated procedures and schedule. Records relevant or related to an ongoing or anticipated legal proceeding, government investigation or tax audit should not be destroyed, even if scheduled for destruction, until the Law or Tax Department advises such destruction is permissible.
6. *Political Activity and Contributions.* It is the policy of the Corporation to encourage its employees to participate actively in community, civic and political affairs. It is also the policy of the Corporation to make its position known, within lawful limitations, on issues affecting the Corporation, its employees and its shareholders, and the communities in which the Corporation operates. The Corporation is legally

prohibited from contributing directly or indirectly in support of political candidates for elective federal office and is similarly prohibited from making such contributions in certain states and foreign countries. No direct or indirect use of Corporation 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 Corporation activity.

7. *Equal Employment Opportunity and Work Environment Policies.* Further details on the Equal Employment Opportunity and the Work Environment Policies, summarized below, are set forth in separate policy statements that have been distributed to employees. The Corporation expects its employees to strictly adhere to these policies.

*Equal Employment Opportunity* --- The Corporation, through its policy and practice, provides equal opportunity to all employees and applicants for employment without regard to race, color, gender, national origin, age, disability, religion, veteran status, sexual orientation, or any other ground prohibited by law. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, demotion, termination, transfer, leaves of absence, compensation, and training.

*Work Environment* --- The Corporation is committed to ensuring a work environment free from all forms of discrimination, including harassment/sexual harassment. It is our strong belief that all employees should be treated with dignity and respect. The Corporation is also committed to providing a work environment free from offensive behavior or statements directed at a person's race, gender or any other protected status. In addition, the Corporation requires its employees to refrain from threats of harm and violent behavior directed against other employees and those outside the Corporation with whom they have dealings. Threats of harm and violent behavior are grounds for immediate dismissal.

There will be no unlawful retaliation against any employee for making a good faith report of alleged violations of our policies against discrimination, harassment or offensive behavior; opposing any practice believed in good faith to be unlawfully discriminatory; or participating in an internal or government investigation of possible discrimination.

8. *Privacy.* The Corporation is committed to complying with all applicable laws regarding the collection, protection and dissemination of personal identification information collected from employees. The Corporation will limit the personal information it requires employees to provide to that which is required for the Corporation to carry out its business and provide access to such personal information only to those persons and entities that need the information for the Corporation to carry out its business.

9. *Data Security, Software Compliance, and Internet and Electronic Mail Services.* Further information on data security, software compliance, and Internet and Electronic Mail services, summarized below, is set forth in separate policy statements that have been distributed to employees. Individuals found violating these policies may be subject to both civil and criminal penalties as well as disciplinary action, up to and including termination of employment.

*Data Security* --- All business information the Corporation acquires and produces, in any form, constitutes a corporate asset. The ownership, usage, dissemination, storage, or formulation of information, as well as all physical corporate systems which process, transmit, or store this data belongs exclusively to the Corporation. It is the responsibility of every user to guard against unauthorized use or disclosure of these assets. Every user of the Corporation's computer systems is responsible for reasonable protection of corporate data and the systems it is produced upon.

*Software Compliance* --- Software is generally the property of the software vendor and duplication of copyrighted software, except for backup purposes, is a violation of the federal copyright law. Under this law, software that is loaded on your hard disk or a file server may not be duplicated for use on any other computer and the making or distributing of copyrighted material without authorization (except for backup purposes) is illegal. In addition, employees shall not load any software, including software owned by employees, onto the Corporation's computers without prior appropriate management approval.

*Electronic Mail and Internet Services* --- Employees should use corporate Internet and Electronic Mail services for business-related transactions only unless the employee's department head has authorized incidental use of these services. Individuals are responsible for the content and appropriate use of corporate time and resources. If incidental personal use of Internet and Electronic Mail services has been authorized, employees must ensure that such use does not violate local, state or federal laws, adversely affect Corporation operations, violate Corporation policies or promote personal financial gain.

10. *Obstruction of Justice, Making False Statements or Perjury.* Employees may not testify falsely under oath or obstruct justice by refusing to testify, destroying, altering or falsifying documents requested by governmental agencies, or making false statements to the government (for example, in interviews or in responding to subpoenas or interrogatories) or in court.

## **V. COMMUNICATION.**

Any interest covered by Section III of this statement acquired by an employee prior to the statement's publication, or prior to the employee's affiliation with the Corporation, or prior to the employee's knowledge of the Corporation's involvement, must be promptly made known to the Corporation.

Communicating this statement of policy and obtaining compliance is the responsibility of the Chief Executive Officer and officers of the Corporation and its subsidiaries with assistance from the Law Department and General Auditor of Union Pacific. Every employee shall disclose promptly, in writing, any situation which is or may be in conflict with this policy whether or not the employee is involved in the situation or transaction. In addition, employees will be required to review this statement periodically and report to the Chief Executive Officer of the Corporation.

Employees with concerns about questionable accounting or auditing matters should call either the Union Pacific Values Line or the Corporation's General Auditor. Employee complaints may be reported either anonymously or non-anonymously. The complainants will be encouraged to provide their names to facilitate the investigation of complaints and follow-up, but anonymous complaints will be accepted. All employee complaints will be held in confidence to the extent legally permitted.

The Corporation does not permit retaliation of any kind for reports of possible misconduct made in good faith. Any employee who engages in prohibited retaliation will receive appropriate discipline, up to and including termination.

Questions of interpretation may arise from time to time with respect to a particular situation. Employees are encouraged to seek the advice of (i) the Assistant Vice President - Law (Omaha) of Union Pacific Railroad Company or the Assistant General Counsel of Union Pacific Corporation with respect to legal interpretation and (ii) the General Auditor of Union Pacific Corporation concerning interpretation with respect to integrity of records and potential financial irregularities. Compliance with this policy will be audited periodically.

Waivers of this policy will only be granted in exceptional circumstances. Any waivers of this policy for executive officers may only be granted by the Board or the Audit Committee after disclosure of all material facts by the executive officer seeking the waiver and will be disclosed promptly to shareholders.

Failure to comply with this statement of policy or any interpretations can have severe consequences for an employee. The Corporation will impose appropriate discipline for violations up to and including summary dismissal and loss of benefits or rights. In addition, violations of law may subject employees (and the Corporation) to civil and criminal penalties.

Adopted by The Board of Directors  
of Union Pacific Corporation

June 25, 1970

as amended October 27, 1977, April 25, 1996, January 29, 2004 and May 28, 2004