



Union Pacific Agreement Employee 401(k) Retirement Thrift Plan Guide

January 1, 2022

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

It is your right and responsibility to learn as much as you can about the wide variety of Union Pacific benefits and how you can make the most of all that is available to you. Please retain a copy of this Guide for use in the future.

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BUILDING FOR THE FUTURE

It is not always easy to save for the future. It is difficult to find the right place to set money aside for your retirement years. You want to invest so your money will work for you. The Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the “Plan”) is a retirement savings program. The Plan is sponsored by Union Pacific Railroad Company (“Union Pacific”). Certain affiliates of Union Pacific have adopted the Plan, as well.

There are many ways to save for retirement. You may already have a savings or brokerage account at your bank or perhaps you have put money into an IRA. The Plan offers you a way to save with tax and other advantages not found elsewhere.

Participation in the Plan includes:

- Convenient payroll deductions so you won’t have to remember to “pay yourself first” each pay period. Your savings automatically will be deposited in your Plan account.
- The choice of saving on either a before-tax or after-tax basis, including by making after-tax Roth Contributions. If you save with before-tax dollars, your current federal income taxes and (in most states) state and local income taxes will be reduced. After-tax savings provides you with another opportunity to save, with greater flexibility to withdraw your savings if needed before retirement. Finally, if you save by making after-tax Roth Contributions and later receive a “qualified distribution” of your Roth Contribution, you will not pay federal income tax on the earnings (state and local income taxation of earnings vary by jurisdiction).
- The ability to defer taxation on the earnings growth on your before- or after-tax savings contributions. If you make Roth after-tax contributions and comply with the “qualified distribution” rules, your investment earnings will not be taxed (for federal income tax purposes).
- If your union has bargained for Matching Contributions, Matching Contributions are contributed to the Plan based upon the amount you contribute to the Plan each pay period.
- Various investment options for your account to help you meet your investment objectives.
- Limited withdrawal provisions before retirement. Within guidelines, a portion of your account may be available for shorter-term needs.
- The ability to change your savings level and investment choices so you can adjust your savings and investment elections as your circumstances or goals change.
- Single sum cash and rollover options after you leave Union Pacific.
- The opportunity to maintain your account in the Plan after you leave Union Pacific, subject to IRS required minimum distribution rules.

In short, the Plan has the potential to be one of the most valuable components of your total benefits package. It is available to help you save for long-range financial goals, such as increasing retirement income. The remainder of this document gives you more information about the Plan, including examples to illustrate key points.

As a Plan participant, you have the right to direct the investment of your savings contributions and, if applicable the Matching Contributions made by Union Pacific or a participating Employer on your behalf, as well as any related earnings, subject to the rules described herein. Various investment options are available. You may choose to invest a portion of your interest in the Plan in the Union Pacific Common Stock Fund, which holds primarily common stock, \$2.50 par value, of the Union Pacific Corporation (“Common Stock” or “Company Stock”). We have registered with the Securities and Exchange Commission the offer of Company Stock for purchase under the Plan and may increase the amount registered in the future. Information regarding the Union Pacific Common Stock Fund is contained in Exhibit D to this Guide, entitled “*Available Information – Union Pacific Common Stock Fund.*”

This Guide, including Exhibit D, constitutes part of a prospectus describing Union Pacific Corporation (“Company”) and the offering of Common Stock through the Union Pacific Common Stock Fund for purposes of the Securities Act of 1933, as amended (the “Securities Act”). The purpose of the Guide, including Exhibit D, is to provide you with more detailed information about the Plan and its operations, as well as information about the Union Pacific Common Stock Fund and how you can find information about the Company so that you will be able to make informed decisions regarding whether to contribute to the Plan and purchase the Company’s Common Stock through the Plan. This information is contained in publicly available filings made by the Company in accordance with U.S. securities law.

Unless otherwise specified, this Guide describes the Plan terms in effect on January 1, 2022. We have made every effort to describe the Plan terms clearly and accurately. Should there be a difference between the information in this Guide and the governing Plan documents, the Plan documents have final authority. This Guide is meant to serve as the summary plan description (SPD) required under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Certain capitalized terms used in this Guide are defined in the “Definitions” section on Page 20. Other capitalized terms are defined throughout the Guide in the various sections in which the term is used.

The information contained in this Guide is not intended and does not constitute either an employment agreement or contractual relationship, and does not guarantee employment for a specific period of time.

As always, the Plan is subject to change or revision at the discretion of Union Pacific.

ELIGIBILITY

Participation in the Plan is voluntary. You may participate in the Plan if you are a Covered Employee. You will become eligible to participate in the Plan on the first day of the month following one year from your original hire date, or the first date you become a Covered Employee, if later. If you terminate employment after becoming eligible to participate and later are rehired as a Covered Employee, you will again become eligible to participate on your rehire date.

Example: Suppose you are hired on March 15, 2021 and are a member of a union that participates in the Plan. One year from your original hire date would be March 14, 2022 and you would become eligible to participate in the Plan on April 1, 2022.

ROLLOVERS AND OTHER SPECIAL PAYMENTS TO THE PLAN

Rollovers

If you are a Covered Employee and had an account in another qualified plan (e.g., a “section 401(k) plan”), certain deferred compensation plans of state and local governments (i.e., a “section 457 plan”), an annuity plan as described in 403(a) or an annuity contract described in section 403(b) of the Internal Revenue Code (“Code”), you may be able to roll over money that has not been taxed (as well as after-tax money) in that plan to this Plan for investment, along with your savings. The Plan does not accept rollovers from contributory IRAs. The rollover may be accomplished in one of two ways:

1. Through a direct rollover in which your prior employer’s plan transfers the rolled over amount directly to the Plan; or
2. By you contributing all or part of the distribution paid to you within 60 days after you receive payment from your prior employer’s plan. If you temporarily put your payment into a conduit or rollover IRA that is not a Roth IRA, you also may roll over the money into this Plan from your conduit IRA (within 60 days of receiving payment from your conduit IRA). Note, if a portion of your distribution included an amount offsetting an unpaid loan from your prior employer’s plan, you have more than 60 days to rollover this offset amount. See Exhibit B, “Special Tax Notice” beginning on Page 25 for more information.

A direct rollover is the only way you may roll over after-tax money or the non-taxable portion of a Roth account distribution from your prior employer’s plan into the Plan. Contact Vanguard directly to initiate a rollover. Call *Vanguard® Participant Services* on the **24-hour Vanguard VOICE® Network** by dialing **1-800-523-1188** or if you have web access, you can use Vanguard’s website at www.vanguard.com.

Generally speaking, if you are a Covered Employee and received a Coronavirus Related Distribution (“CRD”), as such term is defined in the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), from this Plan or another eligible retirement plan, you may rollover all or a portion of your CRD into the Plan, provided the rollover is made no later than 3 years following the date you received the CRD. The total CRD amount you roll into the Plan may not exceed the total amount of CRD distributed to you, which cannot exceed \$100,000. Since the deadline to receive a CRD was December 30, 2020, the last day on which the Plan will accept rollover of any CRD is December 30, 2023. If you received a CRD and wish to rollover your CRD into the Plan, call *Vanguard® Participant Services* or the **24-hour Vanguard VOICE® Network** by dialing **1-800-523-1188** or if you have web access, you can use Vanguard’s website at www.vanguard.com.

Qualified Birth or Adoption Distribution Repayments

If you are a Covered Employee and received a Qualified Birth or Adoption Distribution (“QBAD”) from this Plan or another qualified plan that is not an Individual Retirement Account (“IRA”) you may repay all or a portion of your QBAD to the Plan. Repayment may be made in one or more installments which in the aggregate may not exceed the total amount of the QBAD distributed to you. A QBAD repaid to the Plan is treated as a direct rollover, as described above. For more information regarding a QBAD, see the “Non-Hardship Withdrawal” section beginning on Page 13. If you wish to repay a QBAD into the Plan, call *Vanguard® Participant Services* on the **24-hour Vanguard VOICE® Network** by dialing **1-800-523-1188** or if you have web access, you can use Vanguard’s website at www.vanguard.com.

ENROLLING IN THE PLAN

Newly eligible employees will receive a Plan enrollment packet from Vanguard. To participate in the Plan, you must contact Vanguard. Your enrollment will be effective as soon as administratively practicable after the date the Plan receives your properly completed

enrollment request, but not earlier than the first day of the month following one year from your original hire date. You will need to indicate the amount you want to save each pay period and how you want your contributions invested.

Any enrollment election (including an election not to enroll in the Plan) made by a Covered Employee will continue in effect until changed by the Covered Employee. Please see the section entitled “*Changing Your Savings Rate or Investment Decisions*” on Page 11 of this Guide.

CONTRIBUTIONS

Contribution Elections and Ways to Contribute

Once you become eligible to participate, there are three ways to contribute, as you elect:

- Salary Deferral Contributions;
- After-Tax Contributions; and/or
- Roth Contributions.

You may authorize your Employer to withhold any whole percentage of your Compensation each pay period, from 1% to 75%, for contribution to the Plan as Salary Deferral Contributions, Roth Contributions, or a combination of both Salary Deferral Contributions and Roth Contributions. In addition, you may elect to have your Employer deduct any whole percentage of your Compensation each pay period, from 1% to 75%, for contribution to the Plan as After-Tax Contributions. Your combined Salary Deferral/Roth Contributions and After-Tax Contribution elections (your total Contribution election) may not exceed 75% of your Compensation for any pay period. Your savings contributions are contributed to the Plan as soon as administratively practicable following their deduction from your paycheck. Your Contribution election will not apply to pay received for any pay period in which you are inactive for a reason other than leave of absence, hurt board or furlough.

Salary Deferral Contributions

One of the biggest advantages of the Plan is the ability to save before-tax dollars. Before-tax dollars (otherwise known as Salary Deferrals) are contributed to the Plan before federal income taxes (but after Social Security or Railroad Retirement taxes) are withheld. In most states, state and local income taxes will not be withheld on these amounts. These taxes are postponed as long as the Salary Deferrals contributed on your behalf and earnings on those dollars stay in your account.

For example, if you earn \$50,000 a year and want to save 6 percent of your Compensation (or \$3,000) in the Plan (assuming, for the sake of simplicity, you’re in the 22 percent federal income tax bracket), federal income taxes on your savings would be \$660 (22 percent x \$3,000). If you contribute on a before-tax basis, you’ll enjoy a \$660 savings in current taxes. So not only will you pay less taxes now, but your savings and investment earnings can grow on a tax-deferred basis until distributed.

After-Tax Contributions

Some individuals prefer to contribute to the Plan on an after-tax basis. You can contribute more to the Plan on an after-tax basis than on a before-tax basis because After-Tax Contributions are not restricted by the annual limit (for 2022, \$20,500) that applies to Salary Deferral Contributions and Roth Contributions. Also, you have more flexibility to withdraw After-Tax Contributions while you are employed.

You pay current-year taxes (including Social Security or Railroad Retirement taxes) on After-Tax Contributions. You will not be taxed again on your After-Tax Contributions when withdrawn or distributed. However, *earnings* generated by After-Tax Contributions are subject to income tax, but those taxes are deferred until the earnings are withdrawn or distributed.

Roth Contributions

Like After-Tax Contributions, you pay current-year taxes (including Social Security or Railroad Retirement taxes) on Roth Contributions. The key advantage of Roth Contributions is that the earnings on your Roth Contributions will not be taxed (for federal income tax purposes) even when they are distributed to you, provided you elect a “qualified” distribution. (Tax treatment under state or local law may differ.)

A distribution of Roth Contributions is “qualified” if the distribution occurs at least 5 years after your initial contribution of Roth Contributions to the Plan and is made either: (a) after you attain age 59½ or (b) as the result of your suffering a “disability” as defined in Code section 72(m)(7). A distribution of Roth Contributions to your beneficiary is also qualified if your Roth Contributions are distributed from the Plan at least 5 years after your initial contribution of Roth Contributions to the Plan (the five-year participation requirement). In any event, your Roth Contributions themselves are not taxed when withdrawn or distributed.

To understand the special tax benefit of Roth Contributions, let’s compare Roth monies to amounts that you (or your Employer) contribute to the Plan on a before-tax basis:

When you contribute savings to the Plan on a before-tax basis (known as Salary Deferral Contributions), you reduce dollar for dollar the amount of your current compensation for income tax purposes. (Salary Deferral Contributions remain subject to Social Security and Railroad Retirement taxes.) As a result, your Salary Deferral Contributions are not taxed to you as income when contributed to the Plan.

Instead, income tax on your Salary Deferral Contributions, and the earnings as they grow, is deferred until such time in the future as you elect to take distribution. Similarly, if you are eligible for and receive Matching Contributions, you are not taxed when the Matching Contributions are contributed on your behalf to the Plan. When you later take your distribution, your Salary Deferral Contributions, the Matching Contributions (if any) and the accumulated investment earnings on these amounts are taxed at the income tax rate(s) applicable to you at the time of the distribution.

Roth Contributions, on the other hand, are subject to federal income taxes (as well as Social Security or Railroad Retirement taxes) before they are contributed to the Plan and are not taxed again when distributed. However, unlike earnings generated by After-Tax Contributions that are not Roth Contributions, when you later elect to receive your distribution the distributed investment earnings on your Roth Contributions will be tax-free (for federal income tax purposes), provided the distribution is a qualified Roth distribution as described above.

Salary Deferral and Roth Contribution Limits

Your combined Salary Deferral Contributions and Roth Contributions for any year are limited by federal tax law. In 2022, the maximum amount of these contributions, combined, is \$20,500. This limit is adjusted periodically for inflation.

If your Salary Deferral Contributions and Roth Contributions under the Plan exceed the annual limit for these contributions in any calendar year, your contributions automatically become Catch-Up Contributions and/or Roth Catch-Up Contributions (as applicable) if you are age 50 or older (or will attain age 50 by the end of the calendar year in which the limit is reached), up to the Catch-Up Contribution adjusted annual limit. Otherwise, they become After-Tax Contributions. (Please see the section entitled “*Catch-Up Contributions and Roth Catch-Up Contributions*” on Page 7 of this Guide.

Please note this annual dollar limit applies to all 401(k) savings plans that you may have contributed to during the calendar year. For example, during the year you are hired, if you made before-tax contributions and/or Roth contributions to your former employer’s plan, you are responsible for making sure that your combined contributions (under the Plan and your former employer’s plan) do not exceed the IRS annual dollar limit. If you’ve contributed too much, you may request that all or part of the excess amount (with earnings) be paid to you from the Plan. Such a request must be made to the Plan Administrator in writing no later than the last business day of March following the calendar year in which the excess contributions were made.

Catch-Up Contributions and Roth Catch-Up Contributions

Participants who are, or will be, age 50 prior to the end of the Plan Year and who are making Salary Deferral Contributions and/or Roth Contributions to the Plan, may make Catch-Up Contributions and/or Roth Catch-Up Contributions, as applicable. Federal tax law establishes a combined maximum amount that a catch-up eligible participant may contribute as a Catch-Up Contribution and/or Roth Catch-Up Contribution in a single Plan Year (“Catch-Up Contribution Limit”). For 2022, the Catch-Up Contribution Limit is \$6,500. This amount is adjusted periodically by the IRS.

A catch-up eligible participant’s Salary Deferral Contribution or Roth Contribution automatically will be converted into a Catch-Up Contribution or Roth Catch-Up Contribution, respectively in the following situations:

- The participant’s Salary Deferral Contributions and/or Roth Contributions reach the annual IRS legal limit during the year (the “Salary Deferral/Roth Contribution Limit”).
 - For 2022, the Salary Deferral/Roth Contribution Limit is \$20,500. The Salary Deferral/Roth Contribution Limit is adjusted periodically by the IRS.
 - In a pay period, Salary Deferral Contributions, if any, are first treated as Catch-Up Contributions before Roth Contributions are treated as Roth Catch-Up Contributions.
- Contributions to the Plan (other than Catch-Up Contributions and Roth Catch-Up Contributions) made by or on behalf of the participant during the Plan Year reach the annual IRS maximum annual addition limit that the IRS allows the Plan to accept for the participant for the Plan Year (the “Annual Addition Limit”).
 - The Annual Addition Limit for 2022 is \$61,000 (or if less, 100% of the participant’s compensation for the year). The Annual Addition Limit is adjusted periodically by the IRS.
- A catch-up eligible participant is a “highly compensated employee” (as defined by the Code) who would otherwise receive a refund of “excess” Salary Deferral Contributions and/or Roth Contributions in order for the Plan to pass a participation test required by the IRS. In this situation, those “excess” contributions will instead remain in the Plan and be converted to Catch-Up Contributions and/or Roth Catch-Up Contributions, as applicable, subject to the Catch-Up Contribution Limit. Please see the section entitled “*Participation Tests*” on Page 23 of this Guide for more information.

A catch-up eligible participant’s total combined Salary Deferral Contributions, Roth Contributions, Catch-Up Contributions and Roth Catch-Up Contributions for the Plan Year cannot exceed the sum of the Salary Deferral/Roth Contribution Limit and the Catch-up Contribution Limit for such year. For 2022, that sum is \$27,000 (\$20,500 Salary Deferral/Roth Contribution Limit + \$6,500 Catch-Up Contribution Limit.) The \$27,000 amount may be adjusted by the IRS in the future.

Make-Up Contributions Upon Return from Military Leave

If you go on a leave of absence due to military service that is considered qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) and following such service you are re-employed as a Covered Employee within the re-employment period prescribed by USERRA, you may have the right to:

- Make up missed Salary Deferral Contributions, Roth Contributions and/or After-Tax Employee Contributions that could have been made during your period of military service; and
- Receive Matching Contributions (if applicable to you) to the extent you make up missed contributions.

Contact the Workforce Shared Services group at (877) 275-8747 for more information regarding make-up contributions upon a return from military service.

Matching Contributions (If Applicable to You)

If you are a member of a union that has provided for its members to receive matching contributions in the Plan pursuant to a collective bargaining agreement, your Employer contributes Matching Contributions to the Plan on your behalf.

The Matching Contribution is equal to 50 cents for each dollar you save in the Plan up to the first 6 percent of your Compensation you contribute each pay period.

The Matching Contribution is made regardless of whether you save with Salary Deferral Contributions, After-Tax Contributions, Roth Contributions, or a combination of them. Catch-up Contributions and Roth Catch-Up Contributions also qualify for the match. Matching Contributions are generally made at the same time your savings are contributed to the Plan, but are made in no event later than permitted by ERISA.

For example, if you earn \$60,000 a year and save 6% of your Compensation per pay period (or \$3,600 over the entire year), your Employer will make a Matching Contribution of \$1,800 to your account for the year ($\$2,500 \text{ compensation each bi-monthly payroll period} \times 6\% \times \$0.50 = \$75 \text{ Matching Contribution each bi-monthly payroll period} \times 24 \text{ payroll periods/yr.}$)

Note: If eligible, you will receive Matching Contributions on the first 6% of Compensation you contribute to the Plan each pay period. **Please remember that the Matching Contribution only applies to pay periods in which you make your own contributions.** If your objective is to obtain the maximum available Matching Contribution, you should manage your contribution rate throughout the year so that your contribution rate does not drop below 6% for any pay period in the Plan Year. If your contributions stop for any reason (i.e., you voluntarily stop making contributions or you have contributed the maximum permitted by law), the Matching Contributions stop as well, regardless of what percentage of Compensation you may have contributed to the Plan earlier in the year.

Qualified Non-Elective Contributions

On occasion, an error may occur in administering the Plan. For example, a Plan participant’s contribution election is not timely implemented. To maintain compliance with federal law, the Employer may be required to contribute funds to the Plan to correct the error, which the Plan Administrator then allocates to the account(s) of the participant(s) affected by the error. These corrective contributions are known as “Qualified Non-Elective Contributions” or “QNECs.” A QNEC contribution is made on a before-tax basis, which means it is not taxable to the participant at the time the contribution is allocated to the participant’s account. Instead, the QNEC and earnings on the QNEC are taxable to the participant at the time of withdrawal or distribution.

PLAN INVESTMENTS

You may direct the investment of your contributions (including Matching Contributions received, if any) to one or more of the Plan’s available investment options, which include a broad range of investment alternatives intended to allow you to achieve a diversified portfolio. You generally can divide your contributions among any or all of the investment options available. The investment “mix” decision is yours; however, the minimum that may be directed to an investment option is 1% of your contributions and effective March 1, 2022 the maximum that may be directed to the Union Pacific Common Stock Fund is 20% of your contributions (including Matching Contributions or other employer contributions, if any). You may make a separate investment election for any rollover contributions made to the Plan.

In general, investment earnings, including dividends (if any) on Union Pacific Corporation common stock (“Company Stock”) held in the Union Pacific Common Stock Fund, are reinvested in the investment option in which they are based. No taxes are due on any earnings as long as the earnings stay in the Plan. The Trustee (see “General Information” on Page 22 of this Guide), in its discretion, may make short-term investments pending ultimate investment of contributions in the investment option(s).

Vanguard Fiduciary Trust Company is the investment manager for the Union Pacific Common Stock Fund and the Union Pacific Fixed Income Fund.

Your account will be valued each day on which the New York Stock Exchange is open for business. Access to the value of your account in total and by each investment option is available by, calling *Vanguard® Participant Services* on the *24-hour Vanguard VOICE® Network* at *1-800-523-1188* or if you have web access, Vanguard's website at www.vanguard.com. Quarterly participant statements are also provided to each participant.

Vanguard Managed Account Program

The Vanguard Managed Account Program (the "Program") is a service offered by Vanguard Advisers, Inc. (VAI). VAI relies on Financial Engines Advisors, L.L.C., an independent advisor unaffiliated with VAI or Vanguard, to provide portfolio management for participants in the Program. Financial Engines' advisory tools determine the investment alternatives offered under the Plan in which to invest your Plan account and the percentage of your Plan account to invest in each such investment alternative. This is known as a "target allocation." The target allocation is based on your current age and assumptions about your age at retirement. Although not required, you may provide additional information to more closely tailor your target allocation to your individual circumstances.

To enroll in the Program you may call a Managed Account specialist at 800-310-9228 or enroll via the web at www.vanguard.com. If you elect to participate in the Program, you give VAI discretionary authority over your account. This means that you grant VAI the ability to invest your Plan account on your behalf in and amongst the Plan's available investment options, and to generally make investment decisions on your behalf, without obtaining your approval for each individual transaction. The Program will not take into consideration any favorable tax treatment on employer securities in making investment decisions.

Program fees are based on a percentage of your assets under management. There is a minimum annual fee to participate in the Program prior to June 30, 2022. After this date, no minimum fee applies. Details regarding the Program's current fee structure can be found in the most recent Plan information and investment disclosure document. To request a copy of this document, call *Vanguard® Participant Services* on the *24-hour Vanguard VOICE® Network* at *1-800-523-1188*, or if you have a web access, such information may be found on Vanguard's website at www.vanguard.com. The Program fee will be charged monthly and generally, only for each full month you are enrolled in the Program. VAI reserves the right to increase or decrease the fees charged, but will notify Program participants in advance of any change in the fee structure.

You may terminate your participation in the Program at any time by calling a Managed Account specialist at 800-310-9228.

Available Investment Options

The investment option alternatives available under the Plan are separated into two investment strategies. In addition, you can choose to invest in common stock of Union Pacific Corporation.

Core Investment Options: The Plan offers a variety of Core Investment Options which are, generally speaking, mutual fund or collective investment trust options which hold a diversified portfolio of investments that is intended to achieve a particular financial objective (for example, a stable value option that emphasizes preservation of principal, or a growth option that seeks growth over the long-term but may also decline in value). This is a "Do It Yourself" approach – since each investment option has a specific investment objective, you need to be aware of your investment goals, the period of time you have to invest, and how many investment options in which you should prudently invest in order to diversify your investments so as to reduce the risk of loss.

Target Retirement Trusts: The Plan offers an alternative to the "Do It Yourself" approach. You can invest all or part of your account in one or more of the Target Retirement Trust Select Trusts (group trusts maintained by Vanguard Fiduciary Trust Company). Each of these trusts is a "balanced" investment option which has a pre-set mix of investments, including stocks, bonds and short-term investments that gradually and automatically adjusts to become more conservative as you approach retirement age.

A list of the investment options offered under the Plan and current information regarding investment performance of these investment options can be found in the most recent Plan information and investment disclosure document. To request a copy of this document, call *Vanguard® Participant Services* on the *24-hour Vanguard VOICE® Network* at *1-800-523-1188*, or if you have a web access, such information may be found on Vanguard's website at www.vanguard.com.

See the section, "*Changing Your Savings Rate or Investment Decisions*" for information regarding your ability to change your investment choices.

Union Pacific Common Stock Fund: In addition to the Core Investment Options and the Target Retirement Trust Select Trusts, you may also choose to invest in the Company stock fund ("Union Pacific Common Stock Fund"). This is a non-diversified investment option. Shares of Company Stock are purchased for the Union Pacific Common Stock Fund on the open market or privately at prices not in excess of the market price at the time of purchase. Cash balances in the Union Pacific Common Stock Fund, including the interim investment thereof, are limited to the amount necessary for administrative purposes.

Because the Union Pacific Common Stock Fund is a non-diversified investment option, the Plan limits your ability to invest in the Union Pacific Common Stock Fund. Specifically, you may not direct the investment of more than 20% of your contributions (including Matching Contributions received, if any) into the Union Pacific Common Stock Fund and you cannot transfer an amount into the Union Pacific Common Stock Fund if such transfer would result in more than 20% of your Plan account (determined immediately preceding the proposed transfer) to be invested in the Union Pacific Common Stock Fund.

See Exhibit D: *Additional Information – Union Pacific Common Stock Fund* for information about the Union Pacific Common Stock Fund and how to find out more about Union Pacific and its business operations so you can make an informed decision whether to invest a portion of your Plan account in the Union Pacific Common Stock Fund.

Default Investment

The Plan also designates a default investment option where amounts will be invested if you do not make an investment election. The Plan default investment option for you is the Vanguard Target Retirement Trust Select with the target year closest to the year you will reach age 65, or the Vanguard Retirement Trust Select that correlates to your actual age, if you are already age 65 or older. Also, if your contribution investment election in effect on or after March 1, 2022 directs more than 20% of your contributions to the Union Pacific Common Stock Fund, the amount directed to the Union Pacific Common Stock Fund in excess of the 20% limit is directed to your default investment option. Remember, you may change where your future contributions are invested and/or elect to transfer amounts out of your default investment option to another available investment option, subject to any applicable Plan trading/exchange restrictions. For more information about making investment changes, see the section below, “*Changing Your Savings Rate or Investment Decision(s).*”

Other Investment Information

You have the right to direct the Trustee as to the exercise of voting rights with respect to the Company Stock allocated to your account. As soon as practicable after the Trustee’s receipt of such materials, the Trustee will deliver or cause to be delivered to you all notices, financial statements, proxies and proxy soliciting material relating to the Company Stock allocated to your account. Any shares of Company Stock for which the Trustee receives no instructions and, unless otherwise required by law, unallocated shares shall be voted by the Trustee in the same proportion that the shares are voted for which the Trustee received instructions.

If a tender offer is made for any shares of Company Stock held in the Plan, the Trustee shall request your instructions, and you may direct the Trustee as to how to respond to the tender offer in connection with the shares of Company Stock allocated to your account. Unless otherwise required by law, the Trustee will not tender unallocated shares or shares for the accounts of participants who fail to give instructions.

Shares of mutual funds offered through the Plan and allocated to your account shall be voted or tendered by the Trustee in accordance with written instructions furnished by you. The Trustee shall deliver to you all notices, proxies and proxy-soliciting materials related to the shares of the mutual funds allocated to your account. Unless otherwise required by law, any shares, including fractional shares, for which voting or tender instructions are not received shall not be voted or tendered.

Your Investment Goals

No one within Union Pacific or any of its affiliates may advise you on investments. You should seek advice from your own financial advisor with respect to your investment elections.

The Plan is intended to be a plan described in section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and Title 29 of the Code of Federal Regulations Sections 2550.404c-1 and 2550.404c-5 (together, “Section 404(c)”). This means that the Company, the participating Employer by which you are employed, the Trustee, the Plan Administrator and other fiduciaries of the Plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by you, an investment of all or part of your Plan account in a default investment option in the event you fail to make an investment election, or the investment decisions made by a Plan fiduciary in connection with the management of a default investment option.

You have the authority and responsibility for deciding how to invest your money among the investment options available and are responsible for your investment decisions, including any losses attributable to those decisions. It is your responsibility to monitor the performance of your investments. It is the responsibility of the Plan Administrator to make sure that information is available to you to allow you to exercise your right to choose your investments.

To comply with Section 404(c), the Plan permits you to choose from a broad range of investment alternatives and will provide you with certain information about the investment alternatives and the operation of the Plan. The information you may request is described in the section entitled “Obtaining Information” at page 12 of this Guide.

Before investing in any of the investment options, read the related prospectus, fact sheet and/or annual report which contains additional information about the investment option. You may request copies of any of the prospectuses, fact sheets or annual reports by calling Vanguard Participant Services on the 24-hour Vanguard VOICE® network by dialing 1-800-523-1198 or visit Vanguard’s website at

www.vanguard.com. For additional information about the Union Pacific Common Stock Fund, see Exhibit D, *Available Information-Union Pacific Common Stock Fund*.

Remember, all investments have a degree of risk. You will need to weigh potential risks against investment objectives to decide which investment option(s) are best for you. Vanguard can provide more information regarding the available investment alternatives and related fees, if any, that may be charged in connection with administering your investment election.

CHANGING YOUR SAVINGS RATE OR INVESTMENT DECISION(S)

When you initially participate in the Plan, you will need to make decisions about your savings rate, whether or not you want to contribute before-tax dollars, after-tax dollars, including Roth Contributions, or a combination of them, and how your account will be invested. However, as time passes, your circumstances and goals may change so that your original elections may not continue to meet your savings and investment needs. An important advantage of the Plan is its flexibility to meet your changing needs.

Permitted Changes

You can increase or decrease your contribution rate, discontinue any or all of your Salary Deferral Contributions, After-Tax Contributions, or Roth Contributions, or change the type of money you are contributing (before-tax or after-tax (including Roth)) at any time (subject to the discussion below under “*When Your Contribution Changes Become Effective*”).

In general, you can change your investment choices on a daily basis (*i.e.*, each day the New York Stock Exchange is open for business), including direction for investment of future contributions (including Matching Contributions, if applicable to you) and make exchanges (*i.e.*, transfer of money in your account between Plan investment options). However, you should be aware that unusual circumstances could prevent you from obtaining prompt access to the automated systems through which daily investment changes are affected. For example, an unusually large volume of investment changes might temporarily overwhelm a system; similarly, communications might be disrupted by forces of nature or by other uncontrollable events.

Exchanges must be made in one percent (1%) increments or in flat dollar amounts.

In most cases, if you exchange out of the Union Pacific Common Stock Fund prior to the market close it will be valued at the closing price of the stock on the day the exchange is elected. Exchanges elected after the market close will be valued at the closing price of the stock on the next business day. However, in unusual circumstances, if the Union Pacific Common Stock Fund has to buy or sell stock on the open market to complete the day’s transaction, you may receive a transaction price that reflects the actual price at which the Union Pacific Common Stock Fund traded shares. That price could be more or less than the closing price on the day you made the exchange. This is called Trading Impact. “Trading Impact” is the effect on the unit value of the Union Pacific Common Stock Fund when the fund has to buy or sell Union Pacific Common Stock shares at prices that vary from the stock’s closing price on the day participants requested the transactions. This can happen when participant transactions in the Union Pacific Common Stock Fund result in the fund’s cash reserves being higher or lower than planned, making it necessary to buy or sell shares on the open market.

You may direct no more than 20% of contributions into the Union Pacific Common Stock Fund and exchanges increasing your holding in the Union Pacific Common Stock Fund will not be permitted if the exchange will result in more than 20% of your Plan account balance being invested in the Union Pacific Common Stock Fund.

Other restrictions exist regarding the frequency in which you may make exchanges into or out of certain investment options. Also, frequent trading restrictions may apply to an investment option. For more information regarding these restrictions, please contact **Vanguard® Participant Services** on the **24-hour Vanguard VOICE® Network** at **1-800-523-1188** or if you have a web access, Vanguard’s website at **www.vanguard.com**.

In the event of an acquisition, merger, or other material transaction, certain participants with knowledge of the transaction may be notified by the Plan Administrator that their activity relating to the Union Pacific Common Stock Fund will be restricted.

When Your Contribution Changes Become Effective

Changes to your Salary Deferral, After-Tax Contributions and/or Roth Contributions (*i.e.*, changing your savings rate, discontinuing your savings altogether or changing between contribution types) will be effective as soon as administratively practicable after the date the Plan receives your properly completed request. To increase or decrease your savings rate, or make other changes to your savings contributions, call Vanguard® Participant Services on the **24-hour Vanguard VOICE® Network** at **1-800-523-1188** or if you are a registered web or Vanguard mobile application user, changes can be made through the web or your phone.

Alternatively, you also may schedule your Salary Deferral Contribution election to automatically increase annually. Subject to rules established by the Plan Administrator, your automatic increase election will begin in the first full payroll period of the month of your choosing. You may elect to automatically increase your Salary Deferral Contribution savings rate annually by a minimum of one percent (1%) and a maximum of three percent (3%). Your automatic increase election will continue on an annual basis, with each new

increase becoming effective on approximately the anniversary of the effective date of your automatic increase election. Your automatic increase election will remain in effect until the earliest of:

- You make an election to:
 - Increase, decrease, or suspend the rate of your Salary Deferral, Roth, and/or After-Tax Contributions,
 - Increase, decrease, or revoke this “automatic increase election”;
- The combined rate of your Salary Deferral Contributions, Roth Contributions, and After-Tax Contributions reaches the Plan limit of 75 percent of your Compensation; or
- You cease to be a Covered Employee eligible to actively participate in the Plan (see the section “Eligibility” on Page 5 of this Guide for more information).

When Your Investment Elections And Exchanges Become Effective

Changes to investment elections of your future contributions (including Matching Contributions, if applicable to you) will become effective on the next business day after the date Vanguard receives your properly completed request. Exchanges, if made prior to 4:00 p.m. Eastern Time, generally will be effective the day the exchange is made based on that day’s closing price (subject to potential Trading Impact on the Union Pacific Common Stock Fund). After 4:00 p.m. Eastern Time, the exchange will be effective the next business day at that day’s closing price (subject to potential Trading Impact on the Union Pacific Common Stock Fund). Please note that investment election changes and exchanges must be transacted directly with Vanguard. You may initiate an investment change or exchange calling *Vanguard® Participant Services* on the *24-hour Vanguard VOICE® Network* at *1-800-523-1188* or if you are a registered web or Vanguard mobile application user, changes can be made through the web or your phone at www.vanguard.com. If you have elected to receive confirmations electronically, you will receive a confirmation of your transaction electronically within approximately one business day of your transaction. Otherwise, you will receive a written confirmation of your transaction from Vanguard in approximately 7-10 business days.

CONFIDENTIALITY

Information about your participation in the Union Pacific Common Stock Fund will be kept confidential. The Plan has assigned to the Plan Administrator (1400 Douglas Street, Stop 0350, Omaha, NE 68179, telephone (402) 544-5000) the responsibility for establishing and monitoring confidentiality procedures. (A copy of these procedures is found in Exhibit A.) Further, an independent fiduciary will be appointed by the Plan Administrator to monitor compliance with the confidentiality procedure should a situation arise involving the potential for undue influence by the Company to exercise your voting, tender or similar rights in a particular way (e.g., proxy contest, tender offer, etc.).

OBTAINING INFORMATION

Call *Vanguard® Participant Services* on the *24-hour Vanguard VOICE® Network* at *1-800-523-1188* or if you have web site access, use Vanguard’s website at www.vanguard.com. Vanguard, acting on behalf of the Plan Administrator (1400 Douglas Street, Stop 0350, Omaha, NE 68179, telephone (402) 544-5000), will also provide to you the following information upon request:

1. **Operating Expenses.** A description of the annual operating expenses of each investment option (including, for example, investment management fees, administrative fees, and transaction costs) which reduce the rate of return to you, and the aggregate amount of such expenses expressed as a percentage of average net assets of the investment option;
2. **Prospectuses, Fact Sheets and Financial Reports.** Copies of any prospectuses, financial statements and reports, and any other materials relating to the investment options, to the extent such information is provided to the Plan;
3. **Listing of Assets.** A list of the assets comprising the portfolio of each investment option which constitute Plan assets under Department of Labor regulations, the value of each such asset (or the proportion of the investment option which it comprises), and, with respect to each fixed rate investment contract (e.g., Guaranteed Investment Contracts (GICs)) issued by a bank, savings and loan association, or insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract;
4. **Performance Information.** The value of shares/units in each investment option, as well as the past and current investment performance of each investment option, determined, net of expenses, on a reasonable and consistent basis; and
5. **Individual Account Information.** The value of shares/units in designated investment options allocated to your account.

VESTING IN YOUR ACCOUNT

Vesting is the process by which you gain ownership rights to the value of your Plan account (including Matching Contributions, if applicable to you). You are always 100% vested in the value of your total account under 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

Account and Roth Contribution Account (in the order named). Keep in mind, your withdrawal will be taken from only those accounts to which a contribution has been made by you or on your behalf. For example, if you are not eligible to receive Matching Contributions, no part of your withdrawal can be taken from a Matching Contribution Account.

All withdrawals are taken from your investments on a pro rata basis. For tax information on non-hardship withdrawals, see the section entitled “*Income Tax Treatment of Withdrawals*” on Page 15 of this Guide.

Hardship Withdrawals

If you have not attained age 59 ½ and are actively employed (including if you are on an approved paid or unpaid leave of absence, furlough or if you are receiving STD benefits from the UPC STD/LTD Plan) you may request a hardship withdrawal.

You may make a hardship withdrawal if the Plan Administrator (or its delegate for this purpose) determines you have an immediate and heavy financial need, and a hardship withdrawal is necessary to satisfy the need. Prior to making a hardship withdrawal, you must make all non-hardship withdrawals described above for which you are eligible. Hardship withdrawals are payable only in cash and you may only withdraw the amount necessary to satisfy your need. Shares of Company Stock withdrawn in a hardship withdrawal must be liquidated and paid in cash.

If you qualify for a hardship withdrawal, you may withdraw an amount necessary to satisfy your need from the value of the following accounts (in the order named and provided contributions have been made to such account by you or on your behalf): your Matching Contribution Account (if applicable) and Salary Deferral Account. You can also take a hardship withdrawal from your Roth Contribution Account. Be aware that taking a hardship withdrawal from your Roth Contribution Account could cause the tax benefits of a “qualified distribution” of Roth monies to be lost.

Definition of Hardship:

The Plan Administrator (or his or her delegate for this purpose) has discretion to determine, on the basis of all relevant facts and circumstances, whether a requested withdrawal is on account of, and necessary to satisfy, a hardship. The Plan defines hardship as an immediate and heavy financial need. A distribution is deemed to be on account of a hardship if it is based on one of the following conditions:

- Expenses for (or necessary to obtain) medical care for you, your spouse, dependent or a primary beneficiary, that are not covered by insurance or other health care arrangements and would be deductible by you under Internal Revenue Code section 213(d), determined without regard to the limitations in Internal Revenue Code section 213(a) (relating to the applicable percentage of adjusted gross income and the recipients of the medical care);
- Expenses connected with the purchase of your home (your principal residence), excluding mortgage payments;
- Expenses to prevent eviction from your home (your principal residence) or having your principal residence mortgage foreclosed;
- Payment in advance for tuition, on campus room and board, and related educational fees for up to the next 12 months for schooling after high school, for you, your spouse, child, dependent or a primary beneficiary;
- Burial or funeral expenses for your deceased parent, spouse, child, dependent or a primary beneficiary; or
- Expenses for the repair of damage to your home (your principal residence) not covered by or reimbursed by insurance that would qualify for the casualty deduction under Internal Revenue Code section 165 (determined without regard to certain limitations in that Code section);
- Expenses and losses (including losses of income) incurred by you on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Act, provided your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or
- such other circumstances or events as may be prescribed by the Secretary of the Treasury or his delegate.

A “primary beneficiary” is an individual designated by you, in accordance with Plan requirements, as a beneficiary having an unconditional right upon your death to all or a portion of your Plan account balance. See the section entitled, “*Naming a Beneficiary*” on page 18 of this Guide for more information.

Your account will be valued using the most recent information available to determine how much you can withdraw. The amount of the withdrawal cannot exceed what is needed to meet the hardship, but may include amounts necessary to pay federal and state income taxes resulting from the withdrawal. You cannot pay back a withdrawal. Your saving contributions to the Plan will not be suspended following a hardship withdrawal.

Additional Hardship Withdrawal Requirements:

To obtain a hardship withdrawal, you must certify in writing that you have:

- Insufficient cash or other liquid assets reasonably available to satisfy your financial need; and
- Taken any other currently available non-hardship withdrawal or distribution from this Plan or any other deferred compensation plan sponsored by Union Pacific or an affiliate in which you have an interest.

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 and 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.

Income Tax Withholding: 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.

10% Penalty Tax: 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.

Deferral of Final Distribution

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.

Generally, you may defer distribution of your account until the last day of the calendar year in which you reach 72 or the calendar year you separate from service, whichever is later. Such calendar year is your “First Distribution Calendar Year”. Before that date, no distribution will be made without your written consent. However, if you so elect, you may continue to defer your final distribution until April 1st of the year following your First Distribution Calendar Year (your “Required Beginning Date”). If you elect to defer distribution of your account, you still can change the investments of your account or apply for withdrawals. You will also receive regular account statements. See attached Exhibit C, “Notice of Your Right to Defer” (“Deferral Notice”) for more details regarding your right to defer distribution from the Plan.

If you delay distribution until your First Distribution Calendar Year (or, if later, until your Required Beginning Date), you can elect to have your account distributed in installments, instead of receiving a final payment in a single sum. Such installments must be sufficient in amount to satisfy the “required minimum distribution” rules under the Internal Revenue Code (the “Code”).

Before the end of your First Distribution Calendar Year, you must elect either to take distribution of your account in monthly, quarterly, semi-annual or annual installments, or take a final distribution of your entire account in a single sum. If you elect an installment form of payment, you may elect to begin your installment payments as of any month in your First Distribution Calendar Year that follows both your election date and the month in which you separate from service.

Alternatively, you can elect to begin your installments in either January, February or March of the calendar year that immediately follows your First Distribution Calendar year. This is a distribution beginning in your “Second Distribution Calendar Year.” If you elect to delay the start of your installments until your Second Distribution Calendar Year, a distribution from your account with respect to your First Distribution Calendar Year will be made to you no later than your Required Beginning Date (April 1 of your Second Distribution Calendar Year) of an amount that is equal to the required minimum distribution under IRS rules for your First Distribution Calendar Year. Your installments for the remainder of your Second Distribution Calendar Year must be sufficient to satisfy the required minimum distribution for your Second Distribution Calendar Year.

If you delay distribution until your First Distribution Calendar Year, but fail to make an election to receive installments or a single sum, your account will be distributed to you in the form of annual installment payments beginning no later than your Required Beginning Date. In this event, you will receive 2 installments in your Second Distribution Calendar Year – the first applicable to your First Distribution Calendar Year (payable no later than your Required Beginning Date) and the second applicable to your Second Distribution Calendar Year (payable no later than the end of the Second Distribution Calendar Year).

If you elect (or are defaulted to) installment payments, you may cancel your installments and receive a final single sum distribution of your remaining account. You can also change the frequency or amount of your installment payments in accordance with rules established by the Plan Administrator, subject to the minimum required distributions rules.

Final Valuation of Your Account

If you separate from service with Union Pacific and its affiliated companies, your account then will be valued as of the valuation date when the final distribution takes place. For tax purposes, investments in the Union Pacific Common Stock Fund will be valued as of the date the Company Stock is removed from the trust, assuming you requested the distribution in Company Stock. If you receive payments in cash, the shares will be valued at the closing price on the day in which your final distribution is processed (subject to potential Trading Impact on Company Stock).

If you postpone final distribution of your account, it will be valued as of the valuation date when the final distribution takes place. If you elect installment payments, each installment payment will equal the amount you elect (or the balance in your account, if less), provided that your election results in the distribution to you of an amount that satisfies the Code’s minimum distribution requirements. In the event your election will result in the distribution of a lesser amount for a calendar year, your election will be automatically increased to an amount necessary to satisfy those legal requirements. If you fail to make a distribution election and are defaulted to installment payments, your first annual installment (distributed to you no later than your Required Beginning Date) will equal the amount of your minimum distribution required under the Code for your First Distribution Calendar Year. Your second installment (distributed in your Second Distribution Calendar Year that contains your Required Beginning Date), and subsequent default annual installments thereafter, will equal the amount of your minimum distribution required under the Code for the calendar year to which the installment applies.

TAX CONSIDERATIONS

Generally speaking, when you receive a final payment or withdrawal (i.e., a distribution) from the Plan, the taxable portion of your distribution will be subject to federal income tax at ordinary income rates. After-Tax Contributions are not taxed again when distributed, although earnings on such contributions are subject to ordinary income tax in the year of distribution. Furthermore, special federal income tax treatment may apply to a distribution from your Roth Contribution Account or Rollover Roth Contribution Account, depending on whether such distribution is a “qualified distribution” from a Roth account. Generally speaking, a distribution from a Roth account is a “qualified distribution” if it is made after you attain age 59½ and satisfy the five-year participation requirement for special Roth tax treatment of investment earnings. See *Roth Contributions* on Page 6 of this Guide.

Exhibit B, “Special Tax Notice”, beginning on Page 25 provides helpful information regarding the federal income tax treatment of Plan distributions. The Special Tax Notice describes the federal income tax treatment of distributions as of January 1, 2022. When you

request your final distribution from the Plan or commence installments, you will be furnished a summary of the then-current Special Tax Notice. At any time you may request a copy of the then current Special Tax Notice free of charge.

The special Roth tax benefit requires strict adherence to the “qualified distribution” rules. Be sure you understand these rules and follow them exactly. See the Special Tax Notice and check with your qualified tax advisor.

No one at Union Pacific or any of its affiliated companies may give you tax advice. You are urged to check with your qualified personal tax advisor to determine the answers to tax questions that relate to your particular situation. Before you decide how and when you want to take payment of your account, discuss the different tax treatments available. The following summary of federal tax consequences is for your general information only and reflects the applicable tax treatment as of January 1, 2022. Any state or local tax consequences depend on applicable state or local law.

Income Tax Withholding

When you (or a beneficiary) receive a distribution as a single sum, the taxable portion of the distribution will be taxed as ordinary income in the year of the distribution. By law, when you receive distribution, 20% of the taxable, rollover eligible portion must be deducted and withheld for federal income tax purposes, unless the distribution is directly rolled over to another eligible retirement plan. Special rules may apply if all or a portion of your distribution includes Company Stock. See Exhibit B, “Special Tax Notice” beginning on Page 25 for more details.

A distribution from the Plan that is not eligible for rollover is subject to mandatory federal income tax withholding at the rate of 10%, unless the participant elects no withholding on these amounts. See Exhibit B, “Special Tax Notice” beginning on Page 25 for more details.

For all distributions, it is your responsibility to pay any taxes due that exceed the amount of tax withheld.

Early Distribution Penalty

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 distributions prior to you reaching age 59½. However, this 10% penalty tax does not apply to certain distributions. 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 tax by rolling over the taxable, rollover eligible portion of your distribution to another eligible retirement plan. (See Exhibit B, “Special Tax Notice” beginning on Page 25 for more details.)

Net Unrealized Appreciation

For most distributions, you can choose to receive that portion of your account invested in Company Stock in the form of cash, or as an in-kind distribution of shares. If you choose the in-kind distribution of your Company Stock, the net unrealized appreciation on the Company Stock (i.e., the excess of the fair market value of the stock at the time of distribution over the initial cost to the Trustee) which is distributed in a single sum will not be taxed at the time the shares are distributed, but will be taxed only on a subsequent sale or exchange. At that time, any gain up to the amount of unrealized appreciation at the date of distribution will be treated as capital gain attributable to an asset held for more than one year, regardless of how long the shares were held by the Plan. Similarly, the net unrealized appreciation attributable to Company Stock purchased with After-Tax Contributions, or Roth Contributions or Rollover Roth Contributions not paid to you in a qualified distribution will not be taxed at the time the shares are distributed. Unrealized appreciation treatment may be waived and the full amount included in ordinary income in the year of distribution. Any further appreciation accruing while you hold distributed shares is treated as a gain subject to tax when the stock is sold or exchanged in a taxable transaction. (See Exhibit B, “Special Tax Notice” beginning on Page 25 for more details.)

Employment Taxes

Although your Salary Deferral Contributions are not subject to federal income tax at the time of contribution to the Plan, for purposes of Railroad Retirement (“RRT”) taxes or the Federal Insurance Contributions Act (“FICA”) taxes, the amount of your taxable wages is determined without regard to your Salary Deferral Contributions. Your contributions to the Plan thus do not reduce your liability for RRT or FICA taxes. Distributions from the Plan, however, are not included in your taxable RRT or FICA wages.

OTHER PLAN INFORMATION

In this section you’ll find additional Plan information of which you should be aware.

Changes in Employment Status

Inactive participants have different rights under the Plan than active participants. An inactive participant is a person who:

- is a Covered Employee with no Contribution election currently in effect under the Plan, but who previously contributed to the Plan or had amounts transferred to this Plan from another plan merged with this Plan;

- has a vested account balance in the Plan, but is no longer employed as a Covered Employee (e.g. is an employee in a position not covered by a collective bargaining agreement); or
- is no longer employed by an Employer, but has a vested account balance in the Plan.

As an inactive participant in the Plan, you may:

- Transfer money presently in your account to other investment options offered in the Plan;
- Provided you remain an active employee, withdraw money from your account according to the hardship withdrawal provisions described earlier; and
- Withdraw money from your account, according to the non-hardship withdrawal provisions described earlier.

As an inactive participant in the Plan, you cannot:

- Add additional savings to the Plan (except a Covered Employee may make a Rollover Contribution); or
- Take final payment from your account before you separate from service, become disabled or die.

Naming a Beneficiary

You may make a separate beneficiary designation for your account. To make or change your beneficiary designation, contact Vanguard directly or if you are a registered web user, you may change your beneficiary on your account website at www.vanguard.com under *My Profile*.

Death Before Benefits Are Fully Distributed:

- If you are married and you die before receiving distribution of your total Plan account, your spouse as of the date of your death automatically will be the beneficiary for your Plan account unless he or she has consented in writing to your naming someone else as the beneficiary. Your spouse's consent must be witnessed by a notary public to be valid. The designation of your spouse as beneficiary is automatically revoked if your spouse dies before you do. Further, if you and your spouse divorce after you have designated him/her as your beneficiary, your designation of your spouse as your beneficiary is automatically revoked and your spouse is deemed to have predeceased you. If you want your former spouse to remain your beneficiary, you must file a new election to designate him or her as your beneficiary (with the consent of your current spouse, if applicable).
- If you have no spouse as of the date of your death and you have not designated a beneficiary or all of your beneficiaries predecease (or are deemed to have predeceased) you, any benefit payable upon your death will be paid to your estate.
- Beneficiary designations on file at Union Pacific for participants living on September 30, 2002 became void on October 10, 2002, provided that the letter notifying you of such action was not returned to the Plan as undeliverable. New beneficiary designations made with Vanguard by such participants are effective.

Beneficiary Disclaimer of Benefit

If you have a balance in the Plan at the time of your death, your designated beneficiary may elect to disclaim the benefit he/she would otherwise receive from the Plan. If a benefit is disclaimed, the designated beneficiary will be treated as having predeceased you and your Plan balance will be payable to your other designated beneficiaries (if any) or your estate in accordance with Plan rules.

A disclaimer of benefit must be made in writing by the designated beneficiary who wishes to disclaim the benefit and be sent to the Plan Administrator (1400 Douglas St., STOP 0350, Omaha, NE 68179). A disclaimer of benefit must be a "qualified disclaimer" as defined in Internal Revenue Code Section 2518 and a valid disclaimer of property under applicable state law. A beneficiary considering whether to disclaim a Plan benefit should consult with his/her own legal counsel to ensure these requirements are met.

Qualified Domestic Relations Orders ("QDROs")

Under the terms of a qualified domestic relations order ("QDRO"), certain payments may be made from the Plan to discharge the alimony, child support, or marital property rights of your spouse, former spouse, child or other dependent (called an "alternate payee"). If so provided by the QDRO, such payments may be made to an alternate payee even if you are still working and cannot receive a distribution yourself.

With the exception of a QDRO or a federal tax levy, there are no other circumstances under which payments can be authorized from your account, except as specified in the Plan document. In addition, federal law provides that you may not borrow against the value of your account or assign your rights under the Plan as collateral for a loan or for any other purpose (except as provided by a QDRO). For information on preparation of QDROs, please call (402) 544-4930.

Participants and beneficiaries can obtain, without charge, a copy of the procedures used by the Plan Administrator in making QDRO determinations.

ACCOUNT STATEMENTS

You will receive quarterly statements of your Plan account. Each statement will show all account activity since the last statement including contributions made to your account, exchanges of money between investment options, fee deductions, if any (e.g., recordkeeping fees and Vanguard Managed Account Program fees), gains/losses on investments for the current period and year to date, and investment options in which you are investing as of the statement period end date.

LOSS OF BENEFITS

You could lose all or part of your account, or payment of your benefits could be suspended, as follows:

- The value of your account could decrease because of investment losses;
- Your account may become subject to a QDRO or a federal tax levy; or
- You cannot be located because you do not provide the Plan Administrator with your most recent address.

PLAN AMENDMENT AND TERMINATION

Union Pacific, acting through its board of directors or Vice President – Labor Relations, reserves the right to amend, terminate or partially terminate the Plan at its discretion and each other Employer reserves its right to terminate participation in the Plan. Furthermore, the Plan Administrator is authorized to make all technical, administrative, regulatory and compliance amendments to the Plan, and any other amendment which does not significantly increase the cost of the Plan to Union Pacific, as he or she deems necessary or appropriate. However, no amendment will deprive you or your beneficiary of any right to which you or your beneficiary is entitled under the Plan with respect to your contributions, nor shall it provide for the use of assets of the Plan other than for the benefit of participants and beneficiaries, except as may be allowed by law.

As a matter of prudent business planning, Union Pacific is continually reviewing and evaluating various proposals for changes in its benefit programs. Some of these proposals, if finally approved and implemented, might be more advantageous or less advantageous than the current programs. Because of the need for confidentiality, such decisions are not discussed or evaluated below the highest level of management. Any managers below such levels do not know whether Union Pacific will or will not adopt any future benefit programs and are not in a position to speculate about future programs. Unless and until such changes are formally announced by Union Pacific, no one is authorized to give assurance that such changes will or will not occur.

If the Plan is terminated (or if your Employer ceases to participate in the Plan), all contributions to the Plan will stop and your account may be transferred to another plan in which you would be a participant, or distributed to you pursuant to the terms of the Plan.

BENEFIT CLAIMS

Application for Benefits

Payment of your account will generally not begin until a properly completed application is received by the Plan Administrator or designated agent. However, the Plan will make payment without application under the following circumstances:

- The balance of your account will be paid to your beneficiary in a single sum as soon as practicable following your death; or
- If you have separated from service and do not timely elect an annual installment option or a final distribution prior to your Required Beginning Date, your account will be paid automatically in annual installments beginning no later than your Required Beginning Date.

Claims Procedure

The Plan Administrator will advise you of your benefits under the Plan. If you believe that the Plan Administrator has failed to advise you or to pay any benefit to which you are entitled, you or the person authorized by you in writing to represent you (i.e., your “duly authorized representative”) may file a written claim with the Plan Administrator. The Plan Administrator will respond to your claim within a reasonable period of time, but not later than 90 days after the receipt of your claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, you will be given written notice of the extension prior to the termination of the initial 90-day period and will be notified of the special circumstances requiring an extension and the date by which a final decision will be reached. The date on which a final decision is made will not be later than 180 days after the date on which your claim was received. If you are denied a claim for benefits, the Plan Administrator will provide you with written notice setting forth in simple terms:

- The specific reason or reasons for the denial;
- Specific reference to the Plan provisions on which the denial is based;
- A description of any additional material needed so that a benefit may be paid and an explanation of why such material or information is necessary;

- Your right to receive upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim;
- An explanation of the claim review procedure set forth below; and
- Your right to bring a civil action under ERISA section 502(a) if your claim is denied on review.

Within 60 days of the date you receive a notice denying a claim, you or your duly authorized representative may request (in writing) a full review of the claim by the Plan Administrator. In connection with such review, you or your duly authorized representative may review relevant documents or receive copies free of charge and may submit issues and comments in writing. The Plan Administrator will consider all information you submit which is relevant to your claim, regardless of whether the information was available when your claim was originally decided. Requests for review not properly filed within the above 60-day period will not be considered. The Plan Administrator will make a decision within a reasonable period of time, and not later than 60 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing, if appropriate) require an extension of time for processing. In that case, a decision will be rendered as soon as possible, but not later than 120 days after receipt of the request for review. However, if an extension of time is needed due to your failure to provide information necessary to decide a claim, the period for making a decision on review will be tolled from the date the Plan Administrator sends you written notice of the extension until the date on which you respond to the request for information, or such earlier date as the Plan Administrator determines in accordance with applicable law and related regulations. The decision on review will be in writing and will include:

- Specific reasons for the decision;
- References to the specific Plan provisions upon which the decision is based;
- A statement informing you that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- A statement of your right to bring an action under ERISA section 502(a) if your claim is denied on review.

The Plan Administrator's decision on review is final and binding on all participants, beneficiaries and alternate payees for all purposes, and no participant, beneficiary or alternate payee has a right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for Plan benefits prior to filing a claim for benefits and exhausting all rights to review under the Plan.

DEFINITIONS

“Compensation” means, for the purpose of determining the eligible pay used to calculate your contributions and Matching Contributions to the Plan, your W-2 compensation from covered employment (including any productivity fund payment, if you are in train service) paid while your Contribution election is in effect. It excludes contributions by your Employer to the Plan or any other plan on your behalf (e.g., matching contributions under the Union Pacific Employee Stock Purchase Plan), expense allowances or reimbursements, amounts realized from the exercise of a nonqualified stock option, amounts realized when restricted stock vests, separation payments, payments of vacation in lieu or sick pay in lieu, employee recognition or safety awards, and employee engagement incentive payments. Your Compensation is calculated before reduction by your Salary Deferral Contributions, Catch-Up Contributions or pre-tax contributions under a Code section 125 cafeteria plan or qualified transportation fringe benefit plan.

If you are covered by the Railroad Employee National Cafeteria Plan (“NCP”), your Compensation excludes any opt-out bonus you may receive under the NCP and includes any amount you elected to defer under the NCP or could have elected to defer under the NCP if you had medical coverage under a plan unrelated to your employment with Union Pacific.

If you are covered by the National Railway Carriers and United Transportation Union Cafeteria Plan, your Compensation excludes any opt out bonus you may receive under such plan and includes any amounts you elected to defer pursuant to the terms of such plan.

Further, your Compensation includes any salary reduction elections made pursuant to the terms of the Railroad Employees National Flexible Benefits Program or the Railroad Employees Health Flexible Spending Account Plan and any “differential wage pay” that may be paid to you by your Employer during certain military service.

Federal law limits the amount of pay that may be taken into account in any Plan Year. This limit is periodically adjusted for inflation and is \$305,000 in 2022.

“Company” means Union Pacific Corporation.

“Covered Employee” means a person who is an employee of an Employer and a member of a union that has provided for its members participation in the Plan pursuant to a collective bargaining agreement with the Employer.

- An “employee” means: an individual who is treated by the Employer as an employee for purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding; or (ii) a leased employee. Also, an individual receiving differential wage pay during a period of military leave is deemed to be an employee for the period of leave, provided he or she was an employee immediately prior to such leave.

“Employer” or “participating Employer” means Union Pacific or an affiliate of Union Pacific that has adopted the Plan. Collectively, Union Pacific and its affiliated companies that have adopted the Plan are referred to as “Employers.”

“Plan Year” means the calendar year.

“Union Pacific” means Union Pacific Railroad Company.

YOUR ERISA RIGHTS

The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). As a participant, you have certain rights and protections under ERISA. For example:

- You may examine free of charge all official documents governing the Plan. This includes insurance contracts (if any) and collective bargaining agreements, and copies of reports filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. You can examine copies of these documents in the Workforce Resources Department in Omaha or at the headquarters of any participating Employer if copies are kept there.
- Copies of the documents governing the operation of the Plan, including the latest summary annual report and updated Summary Plan Description can be acquired by writing to the Plan Administrator. You may have to pay a reasonable photocopying charge.
- You will automatically receive a yearly summary of the Plan’s financial reports, which the Plan Administrator is required by law to furnish to each participant.
- Once a year, you can request a statement of your account, the amount of your account that is nonforfeitable (*i.e.*, vested), and when your entire account will be nonforfeitable. The statement must be requested in writing and will be provided free of charge.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries.

No one, including your employer or anyone else, may discharge or discriminate against you in a way that would prevent you from obtaining benefits under the Plan or exercising rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, you can take steps to enforce your rights. For example, if you do not receive certain Plan materials within 30 days of a request, you may file suit in federal court. The court may require the Plan Administrator to provide the materials and pay you as much as \$110 per day until you receive them, unless they were not sent due to reasons beyond the Plan Administrator’s control. To ensure your request was not lost in the mail, call the Plan Administrator.

You may file suit in a state or federal court if your claim for benefits is totally or partially denied or ignored. In addition, if you disagree with the Plan’s decision, or lack thereof, concerning the qualified status of a domestic relations order, you may file suit in federal court. However, before filing a lawsuit you must first exhaust all appeals required by the Plan.

Should fiduciaries misuse the Plan’s money, or you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person sued to pay costs and fees. If you lose (for example, if the court finds your claim frivolous), the court may order you to pay costs and fees.

If you have questions about your benefits, contact your Workforce Resources Department. If you have questions about your rights under ERISA or about this statement, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest area office of the Employee Benefits Security Administration, U. S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquires, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C., 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration toll free at 866-444-3272 or by visiting EBSA’s website at www.dol.gov/ebsa.

RESALE RESTRICTIONS

The Plan itself imposes no restrictions on the resale of shares of Company Stock acquired under it. Participants who are “affiliates” of Union Pacific Corporation (within the meaning of the Securities Act of 1933), however, may sell shares of Company Stock acquired under the Plan only under an effective registration statement or pursuant to Rule 144 or some other exemption from registration. Participants under the Plan who may be considered “affiliates” of the Company should consult legal counsel when contemplating resales

of shares of Company Stock acquired under the Plan to determine the applicability of restrictions on such resales under the federal securities laws.

CHARGES AND DEDUCTIONS

Charges relating to the management of the investment options, including the Union Pacific Fixed Income Fund and the Union Pacific Common Stock Fund, as well as transaction fees, are charged to the Plan assets of such investment options. In addition to the options' management charges and transaction fees, reasonable fees and/or expenses incurred to administer the Plan may be charged against Plan assets, which may reduce any benefits that you may be entitled to under the Plan. Such fees and/or expenses may include, but are not limited to, fees associated with the Vanguard Managed Account Program described on page 9, and administrative fees and expenses (such as recordkeeping costs, costs related to auditing the Plan, distributing Plan communication materials and processing nondiscrimination test refunds). For additional information regarding the fees and charges, please contact the Workforce Shared Services group at 1-877-275-8747, and/or Vanguard Participant Services at 1-800-523-1188 and request a copy of the most recent Plan information and investment disclosure document.

GENERAL INFORMATION

Name and Type of Plan

The name of the Plan described in this Guide is the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan. The Plan is a defined contribution/profit sharing 401(k) plan that is intended to be qualified under section 401(a) of the Internal Revenue Code and its related trust is intended to be exempt under section 501(a) of the Internal Revenue Code. As a defined contribution/profit sharing 401(k) plan, the Plan is not subject to the minimum funding requirements imposed by ERISA and the Internal Revenue Code.

Plan Sponsor

The Plan Sponsor is Union Pacific Railroad Company, 1400 Douglas Street, Omaha, NE 68179.

The Plan is extended to eligible employees of participating Union Pacific Railroad Company affiliates. A complete list of these affiliates, including their addresses and employer identification numbers, is available upon written request to the Plan Administrator of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan, 1400 Douglas Street, Omaha, NE 68179.

Plan Sponsor Identification Number and Plan Number

The Plan Sponsor Identification Number assigned by the Internal Revenue Service to Union Pacific Railroad Company is 94-6001323. The plan number Union Pacific Railroad Company has assigned to this Plan is 015.

Plan Year

The Plan operates on a calendar year basis.

Normal Retirement Age

The Plan's normal retirement age is 65.

Plan Administration

To the extent provided in the Plan, the Named Fiduciary-Plan Administration and the Named Fiduciary-Plan Investments have the authority to administer the Plan, and each is a "named fiduciary" as such term is defined in ERISA. The senior human resource officer of Union Pacific Corporation or such other officer with similar authority has been designated as the Named Fiduciary-Plan Administration and is the Plan's "Administrator" as that term is defined in ERISA and is referred to herein as the "Plan Administrator" or the "Named Fiduciary - Plan Administration." The Compensation and Benefits Committee of the board of directors of the Union Pacific Corporation has discretionary authority to appoint and review the performance of the Named Fiduciary - Plan Administration and to that extent the committee is a "named fiduciary" of the Plan.

The Plan Administrator is responsible for all matters relating to the administration of the Plan other than those matters which are the responsibility of the Named Fiduciary – Plan Investments. The Plan Administrator has the authority, in his or her sole discretion, to interpret the terms of the Plan, to develop rules and regulations to carry out the provisions of the Plan, to make factual determinations, and to resolve questions relating to eligibility for and the amount of benefits. All interpretations, determinations, etc. made by the Plan Administrator pursuant to his or her authority shall be final and binding on all parties. The Plan Administrator also serves as the Plan's agent for the service of legal process.

The Plan Administrator may designate other persons to carry out such of his or her responsibilities under the Plan for the operation and administration of the Plan as he or she deems advisable and delegate to the persons designated such of his or her powers as he or she deems necessary to carry out such responsibilities. Any designation and delegation shall be subject to such terms and conditions as the Plan Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities under the Plan by the persons so designated by the Plan Administrator shall have the same force and effect for all purposes as if such action or determination had been made or taken by the Plan Administrator.

The Plan Administrator is currently the Executive Vice President – Sustainability & Strategy, Union Pacific Railroad Company, 1400 Douglas Street, Omaha, NE 68179, (402) 544-5000.

The Named Fiduciary-Plan Investments consists of a committee comprised of persons designated by the Finance Committee of the board of directors of Union Pacific Corporation. The Named Fiduciary-Plan Investments is responsible, subject to the terms of the Plan, for designating the menu of investment options available to Plan participants and may add or remove investment options from time to time. The Named Fiduciary-Plan Investments is also responsible for designating the default investment option(s) in the event a participant fails to make an affirmative investment election for all or part of his or her Plan account. The terms of the Plan provide that one of the available investment options is the Union Pacific Common Stock Fund.

The Named Fiduciary-Plan Investments may appoint, remove and replace the Trustee and any investment manager(s) responsible for management of Plan assets. The Named Fiduciary-Plan Investments is also responsible for reviewing the performance of the Trustee and any investment manager(s), and may amend any agreement with the Trustee or any investment manager. The Named Fiduciary-Plan Investments is responsible for establishing a funding policy and method for the Plan and communicating them to the Trustee and any investment manager(s), selecting an independent certified public accountant to examine annual Plan financial statements, and determining the extent to which Plan expenses will be paid with Plan assets. The Finance Committee of the board of directors of the Union Pacific Corporation has discretionary authority to appoint and review the performance of the Named Fiduciary-Plan Investments and to that extent the committee is a “named fiduciary” of the Plan.

Plan Trustee

The Trustee of the Plan is Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group Inc. (1-800-523-1188), whose address is PO Box 2600, Valley Forge, PA 19496. The Trustee’s functions include the management of the Union Pacific Common Stock Fund and Union Pacific Fixed Income Fund, custody of the assets of participants’ accounts, the investment of each participant’s account balance in accordance with the participant’s investment directions (or default investment option, in the absence of such direction), and voting and responding to tender offers with respect to Company Stock held in participants’ accounts in accordance with instructions received from participants. Legal process may also be served on the Trustee.

Pension Benefit Guaranty Corporation (PBGC)

The PBGC insures certain benefits payable from defined benefit plans (such as the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates). The PBGC does not insure benefits payable from defined contribution plans (such as this Plan). Benefits from this Plan are determined by contributions to the Plan and investment activity of the investment options.

Participation Tests

The Plan must pass certain tests to retain favorable tax treatment permitted by qualification with Internal Revenue Code guidelines. These tests require a balance of participation among employees at all pay levels. The savings of highly paid participants may need to be recharacterized as Catch-Up Contributions (or Roth Catch-Up Contributions, as applicable) or distributed if the mix of participants does not fall within the guidelines. The Plan Administrator will notify any affected participants.

Contribution Limits

In addition to the yearly Internal Revenue Code limit on before-tax savings and Roth savings, the Internal Revenue Code imposes an overall yearly limit on all contributions to the Plan that can be made on your behalf. The 2022 limit is the lesser of \$61,000 or 100% of your total compensation. This limit is adjusted from time-to-time by the IRS.

Top-Heavy Provisions

Under current federal tax laws, the Plan is required to contain provisions which will take effect if the Plan becomes “top-heavy.” The Plan will be considered top-heavy if the value of the accounts for certain “key” employees exceeds 60% of the value of the accounts for all participants. If the Plan becomes top-heavy, a minimum contribution will be made for the benefit of each “non-key” employee who is eligible to participate in the Plan. The Plan Administrator will provide a more detailed explanation of these provisions if and when the Plan becomes top-heavy.

Available Information About the Union Pacific Common Stock Please refer to Exhibit D for additional information about the Union Pacific Common Stock Fund, including where to find information about Union Pacific so that you will be able to make an informed decision whether to purchase Union Pacific Common Stock through the Plan.

OBTAINING ADDITIONAL INFORMATION

If you have questions about the operation of the Plan or your rights under the Plan, please contact the Union Pacific Workforce Shared Services group, 1400 Douglas Street STOP 0320, Omaha, NE, 68179, or 1-877-275-8747.

**PROCEDURES FOR CONFIDENTIALITY OF INFORMATION RELATING TO
UNION PACIFIC COMMON STOCK FUND**

**UNION PACIFIC AGREEMENT EMPLOYEE
401(K) RETIREMENT THRIFT PLAN**

**STATEMENT OF PROCEDURES CONCERNING CONFIDENTIALITY
OF INFORMATION RELATING TO
UNION PACIFIC COMMON STOCK FUND**

WHEREAS, the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the “Plan”) assigns to the Named Fiduciary-Plan Administration the responsibility for establishing procedures designed to maintain the confidentiality of information relating to the purchase, holding and sale of Union Pacific Common Stock (the “Company Stock”), and the exercise of voting, tender and similar rights with regard to such Company Stock (the “Information”) held by participants or beneficiaries (the “Procedures”); and

WHEREAS, the Named Fiduciary-Plan Administration desires to establish the Procedures pursuant to such assignment;

NOW, THEREFORE, the undersigned as Named Fiduciary-Plan Administration does hereby establish the following Procedures:

- I. **Survey.** A survey shall be undertaken to determine who currently has access to the Information and the reason(s) for such access.
- II. **Authorization.** Access to the Information shall be limited by me to such persons designated as representatives of the Plan (some of whom may be employees of Union Pacific Corporation or its affiliates) who need the Information to carry out the administration of the Plan. Such access shall be provided only pursuant to my written authorization, which sets forth the reason(s) access to the Information is necessary, the specific items of Information that may be obtained and the appropriate provisions for safeguarding the confidentiality of the Information, including but not limited to contractually obligating the recipient of the Information to limit its use to the stated purpose(s).
- III. **Restriction.** The Plan’s Trustee, recordkeeper, and transfer agent and any other person with access to any or all of the Information shall be notified in writing by me (or a representative of the Plan, who may be an employee of Union Pacific Corporation or its affiliates) that they are prohibited from disclosing any of the Information to any person without first obtaining my written authorization to make such disclosure, unless such person is the participant or beneficiary.
- IV. **Audit.** Compliance with any authorization to receive the Information shall be periodically audited by person(s) appointed by me. Such person(s) shall report the results of the audit to me in writing, along with any recommendations they may have for improving or establishing any safeguards necessary or desirable to maintain the confidentiality of the Information. The results of the audit shall not be disclosed to any person(s) not authorized in writing by me to receive such results.
- V. **Prohibition.** Under no circumstances shall the Information be made available or disclosed to Union Pacific Corporation, its officers, directors, employees or affiliates, except to the extent necessary to comply with a federal or state law not preempted by the Employee Retirement Income Security Act of 1974, as amended, or as provided in Articles II and III.
- VI. **Standard of Care.** The obligations of the Named Fiduciary-Plan Administration set forth in these Procedures shall be carried out solely in the interests of the participants and beneficiaries of the Plan and for the exclusive purpose of maintaining the confidentiality of the Information.
- VII. **Amendment.** The Named Fiduciary-Plan Administration may amend these Procedures at any time in writing.

/s/ _____
Named Fiduciary-Plan Administration

SPECIAL TAX NOTICE

Please note: The *Notice of your right to defer* document is located on page 34.

Retain these documents for your permanent records.

You are receiving this notice because all or a portion of a distribution you are receiving from your employer plan (the "Plan") may be eligible to be rolled over to an IRA or an employer plan; or if your payment is from a designated Roth account, to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to complete such a rollover.

There are important factors to consider when deciding whether to roll over plan assets to an IRA or new employer's plan or leave assets in your current employer's plan (if permitted). Some of these factors include: investment options in each type of account, fees and expenses, available services, potential withdrawal penalties, protection from creditors and legal judgments, required minimum distributions, and tax consequences of rolling over employer stock to an IRA.

Part I of this notice describes the rollover rules that apply to Plan distributions that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules). Part II of this notice describes the rollover rules that apply to Plan distributions that are from a designated Roth account. The Plan administrator or Vanguard will tell you the amount that is being paid from each type of account.

Rules that apply to most payments from a plan are described in the General information about rollovers section. Special rules that only apply in certain circumstances are described in the Special rules and options section.

Your right to waive the 30-day notice period. You are permitted a minimum period of at least 30 days after you receive this notice to consider whether or not to have your distribution directly rolled over. If you do not wish to wait until this 30-day notice period ends before making an election, you may waive the 30-day notice period by making an affirmative election indicating whether or not you wish to make a direct rollover.

For more information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The following rules are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan administrator or a professional tax advisor before you take a payment of your benefits from your Plan.

Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication, 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); Instructions to IRS Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax Favored Accounts, IRS Publication 504, Divorced or Separated Individuals, and IRS Publication 571, Tax Sheltered Annuity Plans (403(b) Plans).

These publications are available at local IRS offices, on the web at irs.gov, or by calling 1-800-TAX-FORM.

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Part I. Distributions not from a Roth account

General information about rollovers

What can I do with an amount that is eligible for rollover?

How can a rollover affect my taxes?

What types of retirement accounts and plans can accept my rollover? How do I complete a rollover?

How much can I roll over?

If I don't complete a rollover, will I have to pay the 10% federal penalty tax on early distributions?

If I complete a rollover to an IRA, will the 10% federal penalty tax apply to early distributions from the IRA?

Special rules and options

What if my payment includes after-tax contributions?

What if I miss the 60-day rollover deadline?

What if my payment includes employer stock that I do not roll over?

What if I have a Plan loan?

What if I was born on or before January 1, 1936?

What if my payment is from a governmental section 457(b) plan?

What if I am an eligible retired public safety officer and my payment is used to pay for health coverage or qualified long-term care insurance?

What if I roll over my payment to a SIMPLE IRA?

What if I roll over my payment to a Roth IRA?

What if I roll over my payment to a designated Roth account in the Plan?

What if I am not a plan participant?

What if I am a surviving beneficiary other than a spouse?

What if I receive a payment under a QDRO?

What if I am a nonresident alien?

Are there any other special rules?

Part II. Distributions from a Roth account

General information about rollovers (from a Roth account)

How can a rollover affect my taxes?

What types of retirement accounts and plans can accept my rollover?

How do I complete a rollover?

How much can I roll over?

If I don't complete a rollover, will I have to pay the 10% federal penalty tax on early distributions?

If I complete a rollover to a Roth IRA, will the 10% federal penalty tax apply to early distributions from the IRA?

Special rules and options

What if I miss the 60-day rollover deadline?

What if my payment includes employer stock that I do not roll over?

What if I have a Plan loan?

What if I receive a payment and I was born on or before January 1, 1936?

What if my payment is from a governmental section 457(b) plan?

What if I receive a payment, am an eligible retired public safety officer, and my payment is used to pay for health coverage or qualified long-term care insurance?

What if I roll over my payment to a Roth SIMPLE IRA?

What if I am not a Plan participant?

What if I am a surviving beneficiary other than a spouse?

What if I receive a payment under a QDRO?

What if I am a nonresident alien?

What if I received a distribution from a pension-linked emergency savings account?

Are there any other special rules?

Part I. Distributions not from a Roth account

General information about rollovers

Q. What can I do with an amount that is eligible for rollover?

A. When a Plan payment is eligible for rollover, you can generally choose one of the following options:

- Leave it in the Plan.
- Roll it over to another employer plan.
- Roll it over to an IRA.
- Take it as a distribution and pay any required taxes.

Note: Whether these options are available to you depends on your circumstances and Plan rules. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain amount.

Q. How can a rollover affect my taxes?

A. You will be taxed on a Plan payment if you do not roll it over. If you are under age 59½ and do not complete a rollover, you will also have to pay a 10% federal penalty tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you complete a rollover, you will not have to pay tax until you receive payments later, and the 10% federal penalty tax will not apply if those payments are made after you reach age 59½ (or earlier if an exception to the 10% additional income tax applies). If you do roll over to a Roth IRA, any amounts not previously included in your income will be taxed currently (see the section below titled What if I roll over my payment to a Roth IRA?).

Q. What types of retirement accounts and plans can accept my rollover?

A. You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

Q. How do I complete a rollover?

A. There are two ways to complete a rollover. You can complete either a direct rollover or a 60-day rollover.

- With a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to complete a direct rollover.
- With a 60-day rollover, you can still complete a rollover by making a deposit into an IRA or eligible employer plan that will accept it.

Generally, you will have 60 days after you receive the payment to make the deposit. If you do not complete a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received, other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% federal penalty tax on early distributions if you are under age 59½ (unless an exception applies).

Q. How much can I roll over?

A. If you wish to complete a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default because of missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions of certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

Q. If I don't complete a rollover, will I have to pay the 10% federal penalty tax on early distributions?

A. If you are under age 59½, you will have to pay the 10% federal penalty tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% federal penalty tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service, if paid at least annually in substantially equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and, in the year of separation, you have reached at least age 50, or have at least 25 years of service under the Plan;
- Payments from a private-sector plan made after you separate from service as a private-sector firefighter, and, in the year of separation, you have reached at least age 50, or have at least 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long-term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Phased retirement payments made to federal employees; and
- Payments from a pension-linked emergency savings account.

Q. If I complete a rollover to an IRA, will the 10% federal penalty tax apply to early distributions from the IRA?

A. If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% federal penalty tax on early distributions from the IRA on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% federal penalty tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exceptions for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50, or following 25 years of service for qualified public safety employees and private-sector firefighters) do not apply;
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Special rules and options

Q. What if my payment includes after-tax contributions?

A. After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over.

In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can complete a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

Q. What if I miss the 60-day rollover deadline?

A. Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline.

Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Q. What if my payment includes employer stock that I do not roll over?

A. If you do not complete a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, or as the result of the participant's disability or death). Under the special rule, the net unrealized appreciation on the stock will not be taxed

If you complete a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or, generally, the Plan. Vanguard can tell you the amount of any net unrealized appreciation.

Q. What if I have a Plan loan?

A. If you have an outstanding loan from the Plan, your account balance may be reduced (or "offset") by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% federal penalty tax if you are under age 59½ unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

Q. What if I was born on or before January 1, 1936?

A. If you were born on or before January 1, 1936, and receive a lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

Q. What if my payment is from a governmental section 457(b) plan?

A. If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not complete a rollover, you will not have to pay the 10% federal penalty tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or

an IRA). However, if you complete a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% federal penalty tax on early distributions (unless an exception applies).

Other differences are that you cannot complete a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "What if my payment includes employer stock that I do not roll over?" and "What if I was born on or before January 1, 1936?" do not apply.

Q. What if I am an eligible retired public safety officer and my payment is used to pay for health coverage or qualified long-term care insurance?

A. If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid as premiums to you or to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

Q. What if I roll over my payment to a SIMPLE IRA?

A. You can only roll over a payment from the Plan to a SIMPLE IRA after the end of the two-year period, starting on the date you first participated in the SIMPLE IRA plan.

Q. What if I roll over my payment to a Roth IRA?

A. If you roll over a payment from the Plan to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE IRA), a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies). Please note that if you roll over pre-tax money to a Roth IRA on or after January 1, 2018, this conversion will be final and cannot be reversed. You cannot unwind or recharacterize conversions made after December 2017.

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

Q. What if I roll over my payment to a designated Roth account in the Plan?

A. You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll over the distribution into a designated Roth account in the distributing Plan only if the Plan permits such rollovers. (You may contact Vanguard or your Plan Administrator to see if this option is available under your Plan). If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover).

A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least five years. In applying this five-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the five-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer.

Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). As a Plan Participant, you do not have to take required minimum distributions from a designated Roth account during your lifetime.

If your eligibility to take a distribution from the Plan is conditioned on a rollover to a designated Roth account in the Plan, the other distribution and rollover alternatives explained in this notice are not available for such a distribution.

Q. What if I am not a Plan participant?

A. If you receive a distribution after the participant's death and do not roll it over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, the 10% federal penalty tax on early distributions and the special rules for public safety officers do not apply, and the special rule described in the section pertaining to individuals born on or before January 1, 1936, applies only if the deceased participant was born on or before January 1, 1936.

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to complete a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% federal penalty tax on early distributions (unless an exception applies) and required minimum distributions from your IRA will be based on your age.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% federal penalty tax on early distributions. However, if the deceased participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

Q. What if I am a surviving beneficiary other than a spouse?

A. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to complete a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% federal penalty tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Q. What if I receive a payment under a QDRO?

A. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO (qualified domestic relations order), you generally have the same options and the same tax treatment that the participant would have. For example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it. However, payments under the QDRO will not be subject to the 10% federal penalty tax on early distributions.

Q. What if I am a nonresident alien?

A. If you are a nonresident alien and you do not complete a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you complete a 60-day rollover), you may request an income tax refund by filing Form 1040-NR, U.S. Nonresident Alien Income Tax Return, and attaching your Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Q. Are there any other special rules?

A. If a payment is one in a series of payments for a period of less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to complete a direct rollover and is not required to withhold for federal income taxes. However, you may complete a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a Plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$7,000.

You may be able to repay certain distributions from your retirement plan. For example, if you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, in most cases, you may be able to repay those distributions to an eligible retirement plan within a certain time period.

For more information on repayments of qualified reservist distributions, see IRS Publication 3, Armed Forces' Tax Guide. For more information on other repayments, see IRS Publication 575, Pension and Annuity Income, or consult a professional tax advisor.

Part II. Distributions from a Roth account

This part of the tax notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, refer to Part I of this notice for the rollover rules that apply to such a payment. The Plan administrator or the payor will tell you the amount that is being paid from each account.

All or a portion of a distribution from the Plan may be eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. The following questions and answers are intended to help you decide whether to complete a rollover.

Rules that apply to most payments from a designated Roth account are described in the General information about rollovers (from a Roth account) section. Special rules that only apply in certain circumstances are described in the Special rules and options section.

General information about rollovers (from a Roth account)

Q. How can a rollover affect my taxes?

A. After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not complete a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the portion of the payment that is earnings. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you complete a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment, even if you do not complete a

rollover. If you complete a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least five years. In applying the five-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Q. What types of retirement accounts and plans can accept my rollover?

A. You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan. For example, Roth IRAs are not subject to spousal consent rules, and Roth IRAs may not provide loans. Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you complete a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the five-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you complete a rollover to a Roth IRA, you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified

distributions).

- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

Q. How do I complete a rollover?

A. There are two ways to complete a rollover. You can either complete a direct rollover or a 60-day rollover.

- With a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to complete a direct rollover.
- With a 60-day rollover, you may still complete a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can complete a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot complete a 60-day rollover to an employer plan of any part of a qualified distribution.

If you directly roll over only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings. For example, assume you receive a nonqualified distribution of \$12,000 which includes \$2,000 in earnings. In this case, if you directly roll over \$10,000 to a Roth IRA, no amount is taxable because the \$10,000 roll over amount includes the \$2,000 in earnings, and the remaining \$2,000 paid to you is treated as after-tax contributions.

If you do not complete a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

Q. How much can I roll over?

A. If you wish to complete a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions to a beneficiary;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded tax law limitations;
- Loans treated as deemed distributions (for example, loans in default because of missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions of certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

Q. If I don't complete a rollover, will I have to pay the 10% federal penalty tax on early distributions?

A. If a payment is not a qualified distribution and you are under age 59½, you will have to pay federal penalty tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% federal penalty tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;

- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and in the year of separation, have reached at least age 50 or have at least 25 years of service under the Plan;
- Payments from a private-sector plan made after you separate from service as a private-sector firefighter and, in the year of separation, have reached at least age 50 or have at least 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payment made from a defined contribution plan that are qualified long-term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution; and
- Payments from a pension-linked emergency savings account.

Q. If I complete a rollover to a Roth IRA, will the 10% federal penalty tax apply to early distributions from the IRA?

A. If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% federal penalty tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% federal penalty tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a designated Roth account in an employer plan. However, there are a few differences for payments from a Roth IRA, including:

- The exceptions for payments made after you separate from service if you will be at least age 55 in the year of separation (or age 50 or following 25 years of service for qualified public safety employees and private-sector firefighters) do not apply;
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Special rules and options

Q. What if I miss the 60-day rollover deadline?

A. Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline.

Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Q. What if my payment includes employer stock that I do not roll over?

A. If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you complete a rollover to a Roth IRA or a designated Roth account in another employer plan for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or, generally, the Plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

Q. What if I have a Plan loan?

A. If you have an outstanding loan from the Plan, your account balance may be reduced (or "offset") by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is a nonqualified distribution and you do not roll over the offset amount, the earnings in the loan offset will be taxed (including the 10% federal penalty tax on early distributions, unless an exception applies). You may complete a rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

Q. What if I receive a payment and I was born on or before January 1, 1936?

A. If you were born on or before January 1, 1936, and receive a lump-sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

Q. What if my payment is from a governmental section 457(b) plan?

A. If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to a Roth IRA or a designated Roth account in an employer plan that accepts rollovers. One difference is that, if you receive a payment that is not a qualified distribution and you do not complete a rollover, you will not have to pay the 10% federal penalty tax on early distributions with respect to the earnings allocated to the payment that you do not roll over even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you complete a rollover to a Roth IRA or a designated Roth account in an employer plan that is not a governmental section 457(b) plan, a later distribution that is not a qualified distribution made before age 59½ will be subject to the 10% federal penalty tax on early distributions on the earnings allocated to the payment (unless an exception applies).

Other differences are that you cannot complete a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "What if my payment includes employer stock that I do not roll over?" and "What if I was born on or before January 1, 1936?" do not apply.

Q. What if I receive a payment, am an eligible retired public safety officer, and my payment is used to pay for health coverage or qualified long-term care insurance?

A. If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid as premiums to you or to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

Q. What if I roll over my payment to a Roth SIMPLE IRA?

A. You can only roll over a payment from the Plan to a Roth SIMPLE IRA after the end of the two-year period beginning on the date you first participated in the Roth SIMPLE IRA.

Q. What if I am not a Plan participant?

A. If you receive a distribution after the participant's death that you do not roll over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% federal penalty tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section What if I receive nonqualified distribution and I was born on or before January 1, 1936? applies only if the deceased participant was born on or before January 1, 1936.

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to complete a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA that you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% federal penalty tax on early distributions (unless an exception applies). If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% federal penalty tax on early distributions. An inherited Roth IRA is subject to required minimum distributions.

Q. What if I am a surviving beneficiary other than a spouse?

A. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to complete a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% federal penalty tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Q. What if I receive a payment under a QDRO?

A. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a QDRO (a qualified domestic relations order), you generally have the same options and the same tax treatment that the participant would have. For example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it.

Q. What if I am a nonresident alien?

A. If you are a nonresident alien, you do not complete a direct rollover to a U.S. Roth IRA or designated Roth account in a U.S. employer plan, and the payment is not a qualified distribution, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you complete a 60-day rollover), you may request an income tax refund by filing Form 1040-NR, U.S. Nonresident Alien Income Tax Return, and attaching your Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Q. What if I received a distribution from a pension-linked emergency savings account?

A. In general, if you receive a payment from a pension-linked emergency savings account (PLEASA), the rules for other payments from a designated Roth account apply. However, several special rules apply to payments from PLEASAs. First, all payments from PLEASAs are treated as qualified distributions, even if, for example, the payment is made before you reach age 59 ½ and before you have had a PLESA for at least five years. Second, if you terminate employment or your employer terminates your PLESA, you may elect, in addition to your usual rollover options, to roll over all or part of your PLESA to another designated Roth account in the Plan.

Q. Are there any other special rules?

A. If a payment is one in a series of payments for a period of less than 10 years, your choice rather to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth accounts and the plan) are less than \$200, the plan is not required to allow you to complete a direct rollover and is not required to withhold for federal income taxes. However, you can complete a 60-day rollover.

Unless you elect otherwise, a mandatory cash out from the designated Roth account in the Plan of more than \$1000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor.

A mandatory cashout is a payment from a plan to a participant made before 862 (or normal retirement age, if later) and without consent, where the participant benefit does not exceed \$7,000.

You may have the ability to repay certain distributions for your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, in most cases, you may be able to repay those distributions to an eligible retirement plan within a certain time period.

For more information on repayments of qualified reservist distributions, see IRS Publication 3, Armed Forces' Tax Guide. For more information on other repayments, see IRS Publication 575, Pension and Annuity Income, or consult a professional tax advisor.

NOTICE OF YOUR RIGHT TO DEFER

The information in this notice is divided into two sections. The first section is for those still working, and the second is for those who have terminated service with their employer. Please disregard the information that does not apply to you.

If you are still working

If you are still working, you may be permitted to take an in-service withdrawal from the plan. An in-service withdrawal request is voluntary, and you have a right to defer taking a distribution in accordance with the terms of your plan. For more information regarding your in-service withdrawal options, as well as your distribution rights upon termination from employment, please refer to your plan's Summary Plan Description (SPD), which you can obtain from your benefits office.

If you choose to take an in-service withdrawal, the investment options available outside of the plan may differ from the investment options available under the plan. Certain investment options under the plan may not be available outside of the plan. In addition, fees and expenses (including administrative fees or investment-related fees) outside the plan may differ from fees and expenses that apply to your account under the plan. For more information about the fees and expenses that apply to your account, call Vanguard Participant Services at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

In general, in-service withdrawals that are not rolled over (or are not eligible to be rolled over) to an IRA or other eligible retirement plan are subject to taxes in the year of the withdrawal (except for the portion of the withdrawal, if any, that represents a return of Roth after-tax or traditional after-tax contributions). Amounts not rolled over may also be subject to a 10% early withdrawal penalty if you are under age 59½ and will no longer be eligible for future tax-favored treatment of earnings. If you complete a rollover, the rollover amount will not be subject to taxes until you take distributions from the receiving plan or IRA. For more information about the potential tax consequences and your rollover options, please read the enclosed **Special Tax Notice Regarding Plan Distributions**.

You are permitted a minimum period of 30 days from the date you receive this notice to make a decision regarding your withdrawal. However, if you do not wish to wait until this 30-day period ends before taking a withdrawal, you may waive the notice period by making an affirmative withdrawal election.

If you are a terminated participant

If you have terminated service with your employer, you may be permitted to defer receipt of your benefit under the plan. If this option is available and you choose to defer the receipt of your benefit, the funds available for the investment of your account, including the fees associated with those funds, will remain the same, subject to the plan sponsor's right to add or remove investment alternatives and the fund's right to alter its fees.

Your rights and benefits as a terminated participant, including the forms of payment, are explained in your other termination materials and/or the SPD that you received when you became eligible for the plan. The SPD also describes additional fees, if any, associated with your continued participation in the plan. If you do not have the SPD, contact your former employer's benefits office.

If you choose to take a distribution of your account, the investment options available outside of the plan may differ from the investment options available under the plan. Certain investment options under the plan may not be available outside of the plan. In addition, fees and expenses (including administrative fees or investment-related fees) outside the plan may differ from fees and expenses that apply to your account under the plan. For more information about the fees and expenses that apply to your account, call Vanguard Participant Services at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

In general, distributions that are not rolled over (or are not eligible to be rolled over) to an IRA or other eligible retirement plan are subject to taxes in the year of the distribution (except for the portion of the distribution, if any, that represents a return of Roth or after-tax contributions). Amounts not rolled over may also be subject to a 10% early withdrawal penalty if you are under age 59½ and will no longer be eligible for future tax-favored treatment of earnings. If you complete a rollover, the rollover amount will not be subject to taxes until later when you take distributions from the receiving plan or IRA. For more information about the potential tax consequences and your rollover options, please read the enclosed **Special Tax Notice Regarding Plan Distributions**.

You are permitted a minimum period of 30 days from the date you receive this notice to make a decision regarding your distribution. However, if you do not wish to wait until this 30-day period ends before taking a distribution, you may waive the notice period by making an affirmative distribution election.

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EXHIBIT D

AVAILABLE INFORMATION – UNION PACIFIC COMMON STOCK FUND

One of the available investment options under the Plan is the Union Pacific Common Stock Fund. This is a non-diversified investment option that primarily holds shares of the common stock of the Union Pacific Corporation (“Union Pacific Common Stock”). It may also hold short-term investments, the amount of which will vary with the amount of cash awaiting investment and with participant activity in the Union Pacific Common Stock Fund (contributions, redemptions, distributions, etc.). Your interest in the Union Pacific Common Stock Fund is measured in units of the Fund instead of shares of stock.

Contributions to the Union Pacific Common Stock Fund will be used to purchase shares of Union Pacific Common Stock at prevailing market prices. The Union Pacific Common Stock Fund is not diversified, and instead, holds primarily Union Pacific Common Stock, plus a relatively small amount of cash and short-term investments to fund contributions to and withdrawals from the Union Pacific Common Stock Fund, as well as expenses. Therefore, the value of the Union Pacific Common Stock Fund will fluctuate in tandem with, but will not match, changes in the value of Union Pacific Common Stock. The value of your investment will vary depending on the performance of the Union Pacific Corporation and its related businesses, the overall stock market to the extent it impacts the value of Union Pacific Common Stock, and the performance and amount of short-term investments held by the Union Pacific Common Stock Fund, less any expenses accrued with respect to the Union Pacific Common Stock Fund.

Investing in a non-diversified single stock investment option involves more risk than investing in a diversified investment option. Unit price and return will vary. You may want to consider investing part of your Plan account in the Union Pacific Common Stock Fund if you want to own part of the company you work for and share in the gains and losses of its stock. However, this is a higher-risk investment and should be considered by persons whose investment portfolios can withstand the higher risk of investment in a single stock. As further discussed in this Guide, you should consider the benefits of a well-balanced and diversified portfolio.

The Guide, including this Exhibit D, and certain documents referred to below, together constitute a prospectus with respect to the Union Pacific Common Stock Fund. The Company hereby “incorporates by reference” into this prospectus the documents listed below, which means that the Company is disclosing important information to you by referring you to those documents. The information that the Company files later with the U.S. Securities and Exchange Commission (“SEC”) will be deemed to automatically update and supersede this information. Specifically, the Company incorporates by reference:

- The Company’s latest Annual Report filed with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act (or, if applicable, the Company’s latest prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended, that contains audited financial statements for the Company’s latest fiscal year for which such statements have been filed), and the Plan’s latest annual report filed with the SEC on Form 11-K;
- All other reports filed by the Company with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Company’s latest annual report or prospectus referred to in the bullet above, provided, however, that we are not incorporating by reference any information furnished (but not filed) under Item 2.02 or Item 7.01 of any Current Report on Form 8-K; and
- The description of Union Pacific Common Stock, par value \$2.50 per share, that is contained in the Company’s Registration Statement filed under the Exchange Act under File No. 1-6075, including all amendments or reports filed for the purpose of updating such description.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities referred to herein have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference in this prospectus and to be part hereof from the date of the filing of such documents, other than information in such documents that is deemed to have been “furnished” in accordance with SEC rules, which shall not be deemed to be specifically incorporated by reference into this prospectus.

Any statement contained in this prospectus, or in a document incorporated by reference in this prospectus, will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in any other subsequently filed document that also is incorporated by reference in this prospectus modifies or supersedes the earlier statement. Any statement that is modified or superseded by a subsequently filed document that is incorporated by reference in this prospectus will not be deemed to constitute a part of this prospectus, except as modified or superseded by the statement in the subsequently filed document.

You are urged to review this Guide, the financial information and other disclosures regarding the Company that are contained in reports filed by the Company with the SEC. In particular, you should review the risk factors described in Part I of the Company’s Annual Report for its latest fiscal year, as well as any risk factors discussed in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in the Annual Report on and subsequent Quarterly Reports on Form 10-Q filed with the SEC. You may view the Company’s recent SEC filings by going to the SEC’s website at

<https://www.sec.gov/edgar/searchedgar/companysearch.html> and entering “UNP” in the “Fast Search” box or by going to the Company’s website at www.up.com and clicking on the link “Investors”.

You can also request from the Company, without charge, copies of the Company’s latest Annual Report or Form 10-K and subsequent Quarterly Report(s) on Form 10-Q, and any and all other documents required to be delivered to each Plan participant who invests in the Union Pacific Common Stock Fund under Rule 428(b) of the Securities Act of 1933, including without limitation all reports, proxy statements, and other communications distributed to stockholders of the Company generally. Written or oral requests for the foregoing documents should be directed to Union Pacific Corporation, 1400 Douglas Street, Omaha, NE, 68179, Attention: Corporate Secretary, (402) 544-5500.

The Company has registered shares of Union Pacific Common Stock that may be offered or purchased under this Plan.

The Company has not authorized any person to give any information or to make any representations in connection with the offer of any securities under the Plan other than those contained in this prospectus or in such other documents designated by the Company as constituting part of a prospectus covering such securities. If given or made, you must not rely upon any such information or representation as having been authorized by the Company.

If you have elected to invest part of your Plan Account balances in the Union Pacific Common Stock Fund, you will receive copies of the Company’s and Plan’s Annual Reports automatically.