Union Pacific Corporation

August 2019
This presentation and related materials contain statements about the Company’s future that are not statements of historical fact, including specifically the statements regarding the Company’s expectations with respect to economic conditions; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company’s and its subsidiaries’ business, financial, and operational results, and future economic performance; and management’s beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Company’s future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company’s and its subsidiaries’ future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company’s Annual Report on Form 10-K for 2018, which was filed with the SEC on February 8, 2019. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to our website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.
2019 Business Trends

Earnings Per Share
Second Quarter

- 2018: $1.98
- 2019: $2.22 (12% increase)

Operating Ratio
Second Quarter

- 2018: 63.0
- 2019: 59.6 (3.4 pts. decrease)

Commodity Group Mapping

<table>
<thead>
<tr>
<th>Agricultural Products</th>
<th>Energy</th>
<th>Industrial</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain</td>
<td>PRB Coal</td>
<td>Construction</td>
<td>Dom Intermodal</td>
</tr>
<tr>
<td>Grain Products</td>
<td>Other Coal</td>
<td>Industrial Chem</td>
<td>Int’l Intermodal</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>Frac Sand</td>
<td>Plastics</td>
<td>Finished Vehicles</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>Petroleum &amp; LPG</td>
<td>Forest Products</td>
<td>Auto Parts</td>
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<tr>
<td></td>
<td>Renewables</td>
<td>Specialized</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metals &amp; Ores</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Soda Ash</td>
<td></td>
</tr>
</tbody>
</table>
**2019 Business Trends**

<table>
<thead>
<tr>
<th>Volume Growth</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>-15%</td>
<td>-9%</td>
<td>-13%</td>
</tr>
<tr>
<td>Premium</td>
<td>-7%</td>
<td>-5%</td>
<td>-10%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>+2%</td>
<td>Flat</td>
<td>+1%</td>
</tr>
<tr>
<td>Industrial</td>
<td>+4%</td>
<td>+2%</td>
<td>+3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-2%</td>
<td>-4%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

*Through August 11, 2019

7-Day Monthly Carloadings (000s)

**7-Day Volume Trends**

*Through July 31, 2019*

- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand

- Natural Gas Prices
- Inventory Management
- Weather & Economy
- Frac Sand Demand
- Crude Oil Prices & Spreads
7-Day Volume Trends (cont)
Through July 31, 2019

- Construction-Related Materials
- Housing Activity
- U.S. Dollar Impact
- Plastics Demand
- Base Chemicals Remain Solid

- North American Production & Sales
- Over-the-Road Parts Conversions
- Intermodal Market Fundamentals
- Truck Capacity
- Foreign Tariffs
Strength of a Unique Franchise

1H 2019 Revenue
$10.2B

Volume Mix
- Premium 49%
- Industrial 21%
- Energy 17%
- Agricultural 13%

U.S. Economy
Industrial Production
International Trade Dynamics

Gross Domestic Product

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (%)</td>
<td>2.2%</td>
<td>2.9%</td>
<td>2.6%</td>
<td>1.6%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Industrial Production

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (%)</td>
<td>2.3%</td>
<td>3.9%</td>
<td>1.4%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Housing Starts (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>1.21</td>
<td>1.25</td>
<td>1.22</td>
<td>1.32</td>
<td>1.24</td>
</tr>
</tbody>
</table>

Light Vehicle Sales (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>17.1</td>
<td>17.2</td>
<td>16.8</td>
<td>16.6</td>
<td>16.5</td>
</tr>
</tbody>
</table>

Source: Global Insight
Maximizing the Franchise

International Trade

- Diverse Franchise Creates Opportunity
- Off-shoring/Near-shoring of U.S. Manufacturing
- Demand for Grain and Food
- Low Natural Gas Prices Favor U.S. Plastics Production
- Impacts from a Strong U.S. Dollar
  - Negative: Steel, Grain, Coal
  - Positive: International Intermodal

2018 Freight Volumes

- Domestic 60%
- Other Imports 17%
- Other Exports 12%
- Exports to Mexico 6%
- Imports from Mexico 6%
- Intermodal (excl. Mexico) 53%
- Vehicles & Parts 18%
- Forest Products – 2%
- Food & Beverage – 2%
- Grain Products – 2%
- Coal – 3%
- Grain – 4%
- Metals – 1%
- Other – 7%
- Mexico Intermodal – 6%
Agricultural Products

1H 2019 Revenue
$2.2 B

Volume Mix

- Food & Beverage: 18%
- Fertilizer: 18%
- Grain Products: 28%
- Grain: 36%

Major Grain, Grain Products, & Fertilizer Region

Cattle, Cattle, Poultry Poultry

Grain Export

Dairy, Dairy, Produce Produce

Cattle, Poultry

Potash

Producer

Dairy, Poultry

Grain Export

U.S. Grain Stocks**
(Bushels in Billions)

- Corn
- Soybeans
- Wheat

2014: 4.8
2015: 5.8
2016: 6.6
2017: 7.4
2018: 7.6
2019: 8.1

UNP Weekly Grain Carloads*
(As reported to the AAR)

- 1Q 2014
- 2Q 2015
- 3Q 2016
- 4Q 2017
- 1Q 2018
- 2Q 2019

Agricultural Products

- Grain Inventory Management
- Export Market Fundamentals
- Food & Beverage Shipment Demand

*Through August 11, 2019

**Source: USDA; As of June 1st
Housing Trends

- Housing Market still well Below Historical Averages
- UP Lumber, Stone & Glass Business Correlates with Housing Starts
- Housing also Drives Appliances, Roofing, Rebar, Aggregates, and Cement Demand

Housing related Shipments Represent ~ 5 - 10% of Current UP Volumes
Chemical Opportunities
North America Announced Expansions

2015 – 2020
- Ind. Chemicals - 14
- Fertilizer - 13
- Plastics - 21

North American Production Will Exceed Domestic Demand
Surplus U.S. Production Targeted for Export
UP Uniquely Positioned to Handle Expansion Related Growth

Chemical Export Opportunities
- North American Production Will Exceed Domestic Demand
- Surplus U.S. Production Targeted for Export
- UP Uniquely Positioned to Handle Expansion Related Growth
Energy - Coal Trends

UNP Weekly Coal Carloads*
(As reported to the AAR)

- Weather Impacts Demand
- Natural Gas Prices
- Coal Inventory Levels

Electricity Generation Market Share**

*Through August 11, 2019

**U.S. Energy Information Administration (EIA)
### Shale-Related Volumes

**2.9% of 2019 First Half Total Volume**

<table>
<thead>
<tr>
<th>2019 First Half</th>
<th>Volume (000s)</th>
<th>% Incr (vs 2018)</th>
<th>% of Total UP Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frac Sand**</td>
<td>75</td>
<td>(47%)</td>
<td>1.8%</td>
</tr>
<tr>
<td>Crude</td>
<td>32</td>
<td>129%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Pipe</td>
<td>15</td>
<td>9%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total Shale</td>
<td>122</td>
<td>(28%)</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

- **Frac Sand Drivers**
  - Energy Prices
  - Rig Counts
  - Enhanced Fracking Technology
  - White / Brown Sand Mix

### Frac Sand Volume*

<table>
<thead>
<tr>
<th>(By Shale, 000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014</td>
</tr>
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<td>2015</td>
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<tr>
<td>2016</td>
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<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>1Q19</td>
</tr>
<tr>
<td>2Q19</td>
</tr>
</tbody>
</table>

### Crude Oil Volume (000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Crude Oil Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>138</td>
</tr>
<tr>
<td>2013</td>
<td>163</td>
</tr>
<tr>
<td>2014</td>
<td>142</td>
</tr>
<tr>
<td>2015</td>
<td>90</td>
</tr>
<tr>
<td>2016</td>
<td>46</td>
</tr>
<tr>
<td>2017</td>
<td>14</td>
</tr>
<tr>
<td>2018</td>
<td>14</td>
</tr>
<tr>
<td>1Q19</td>
<td>18</td>
</tr>
<tr>
<td>2Q19</td>
<td></td>
</tr>
</tbody>
</table>

*Includes Barites
Highway Conversion Growth Opportunities

- Highway Conversion Opportunities in All Business Groups
- ELD Impact
- Truck Capacity
- LOUP
- Highway Congestion

Transportation Mode By Tonnage

Source: Cass Information Systems, Index uses January 2005 as its base month, U.S DOT Bureau of Transportation Statistics

Extending Our Reach Beyond the Ramp

- Area of Influence
- Area of Control
- Origin Drayage
- Destination Dray
- Ocean Transport
- L.A. / Long Beach
- Chicago
- Warehouse
- Transload
International Intermodal

- Transpacific Market Challenges
- Retail Inventories
- West Coast Port Advantages

*Source: Global Insight

U.S. Light Vehicle SAAR*

*Source: Global Insight
North American Auto Production

North American Light Vehicle Production Forecast*

*Source: Global Insight

North American Auto Production

Mexico 1H 2019 Revenue
$1.2 B

1H 2019 Volume Mix

Ag. Products 16%
Energy 6%
Industrial 13%
Premium 65%

UP Intermodal Operations
UP Offices
2019 Volume Outlook

Agricultural Products
+ Biofuels
+ Food and Beverage
? Grain

Industrial
+ Plastics
+ Construction
– Housing Starts

Energy
+ Petroleum Products
– Sand
– Coal Headwinds

Premium
+ Light Truck / SUV Sales
– Domestic Market
? Trade & Economy
Safety

Employee
(Reportable Personal Injury Incidents Per 200,000 Employee-Hours)

- 1H15: 0.82
- 1H16: 0.70
- 1H17: 0.76
- 1H18: 0.76
- 1H19: 0.87

Rail Equipment
(Reportable Derailment Incidents Per Million Train Miles)

- 1H15: 3.19
- 1H16: 3.13
- 1H17: 3.01
- 1H18: 2.93
- 1H19: 4.17

Public
(Crossing Accidents Per Million Train Miles)

- 1H15: 1.97
- 1H16: 2.40
- 1H17: 2.27
- 1H18: 2.71
- 1H19: 2.38

- Continued Focus on Safety
- Goal of Zero Incidents

Unified Plan 2020
Precision Scheduled Railroading Tenets

- Shifting the focus of operations from moving trains to moving cars
- Minimizing car dwell, car classification events and locomotive requirements
- Utilizing general-purpose trains by blending train services
- Balancing train movements to improve the utilization of crews and rail assets
Unified Plan 2020

Terminal Rationalization & Network Changes

- **Salt Lake City**: Curtail yard operations, shift work to Ogden.
- **Kansas City/Des Moines**: Amendative into NIF, exchange into NIF, Topeka, Coffeyville, Parsons.
- **Denver**: 38th St. Yard curtailment.
- **St Louis Area**: Saline curtailment.
- **Sunset Corridor**: Split and combine trains at Santa Teresa to increase train sizes west of El Paso.
- **Phoenix Sub**: Closed Hump - shift classification work, fast switch black swap remaining traffic.
- **San Antonio/Brownsville**: East Yard curtailment, pause Brownsville construction.
- **Chicago**: Buffer curtailment, closed/provision hump, simplify intermodal operations.

System Train Length
(Max on route, in feet)

- Jan-18 to May-19: ~720 ft +10%

Unified Plan 2020

Key Performance Indicators

**Freight Car Terminal Dwell**

- **(Hours)**
  - 2Q18: 29.5
  - 2Q19: 25.5
  - Improvement: -14%

**Freight Car Velocity**

- **(Daily Miles per Car)**
  - 2Q18: 188
  - 2Q19: 195
  - Improvement: +4%

- Year-over-Year Improvement
- Continued Focus on Asset Utilization and Minimizing Car Classifications

**Train Speed**

- **(Miles per Hour)**
  - 2Q18: 24.7
  - 2Q19: 23.1
  - Improvement: -6%
Unified Plan 2020
Key Performance Indicators

**Locomotive Productivity**
(GTM per Horsepower Day)

- 2Q18: 102
- 2Q19: 121

- Increase of +19%

**Car Trip Plan Compliance**
(% C3ars On Time)

- 2Q18: 62
- 2Q19: 61

- Improvement of -1 pt.

- ~2,150 Stored Locomotives as of June 30th
- Total Employees Down 8%
- Rebounding from Weather Challenges

**Workforce Productivity**
(Daily Car Miles per FTE)

- 2Q18: 836
- 2Q19: 866

- Increase of 4%

Unified Plan 2020
Inventory Management

**Operating Inventory and Cars in Storage**

- Operating Inventory:
  - 2Q17: 209,438
  - 2Q19: 188,757
- Cars in Storage:
  - 2Q17: 18,510
  - 2Q19: 30,266

- Operating Inventory Reduced with Unified Plan 2020
  - Excludes Cars in Storage and Cars placed at Customer
  - Change driven by improved Freight Car Velocity and Terminal Dwell
  - Weather challenges in 1H19

- Cars in Storage on the Rise
  - Increased more than 60% since Third Quarter 2018
Positive Train Control (PTC) Status Overview

- Approximately $2.8 Billion Invested through June 2019
- Total Estimated Investment ~ $2.9 Billion
- Field Testing since October 2013
- Installed on 100% of Required Rail Lines
- Implemented on 86% of Required Rail Lines
- Continue Implementing, Testing and Refining PTC in 2019 & 2020

Technology Advancing Operations

**Net Control**
- Premier transportation operating system
- Manages all transportation assets including trains, cars, shipment, locomotives, and terminals
- Foundational platform for innovation, customer experience, productivity, and efficiency

**Sensor X**
- Accelerometer
- Strain Gauge
- Digital Temp Sensor

**Mobile Work Order**
- Real time inventory updates and corrections
- Enables dynamic work instructions & planning
- Platform to digitize other work activities
- Reduced user work load

*SensorX Patent Pending 62647445
Technology Improving Customer Experience

Streamlined interfaces
• Ease of navigation
• Quick access to information
• Modern and intuitive

Notifications
• “You are next” notifications
• No service today | customer exceptions notifications
• Numerous other notification types

Enhanced shipment management
• Dashboards
• Mobile available
Financial Performance
Expanding Margins and Driving Returns

Operating Ratio
- 2004: 87.5%
- 2014: 63.5%
- 2018: 62.7%

EPS
- 2004: $0.71
- 2014: $5.75
- 2018: $7.91

ROIC**
- 2004: 16.2%
- 2014: 15.1%

* 2004 adjusted for asbestos pre-tax charge of $247.4 million.
** See Union Pacific website under Investors for a reconciliation to GAAP.

Financial Performance
Growing Cash Flow and Shareholder Returns

Cash from Ops
- 2004: $2.3B
- 2014: $7.4B
- 2018: $8.7B

Dividends (Declared)
- 2004: $0.30
- 2014: $1.91
- 2018: $2.48

Share Repurchases (Cumulative)
- 2004: $0
- 2014: $13B
- 2018: $31B

Market Cap
- 2004: $105B
- 2014: $117B
- 2019 Aug 12: $13B

+10% CAGR
+18% CAGR
+19% CAGR
+5.3% CAGR
+9.8 points
+19% CAGR
+18% CAGR
+10% CAGR
+9.8 points
+19% CAGR
+10% CAGR
+18% CAGR
+19% CAGR
+5.3% CAGR
+9.8 points
Pricing Fundamentals

- Value is the Key to Future Price Improvement
- Balanced Portfolio Provides Flexibility for Repricing as Value Grows
- Solid Core Pricing

Balanced Revenue Portfolio

- Contracts > 1 Year: 40%
- Contracts < 1 Year: 30%
- Tariffs: 30%

Productivity Update

Second Quarter Results:

- $195 Million of Productivity
  
  - Operational Challenges Resulted in a $25 Million Headwind
  
  - Net Productivity of $170 Million for the Quarter
  
  - Net Productivity of $230 Million in First Half of 2019
  
  - Full Year Productivity Still Expected to be at least $500 Million

Initiatives & 2Q19 Results ($ in millions)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network and Train Operations</td>
<td>$37</td>
<td>Fuel, Unified Plan 2020, Starts, partially offset by weather</td>
</tr>
<tr>
<td>Equipment (Locomotive and Car)</td>
<td>$78</td>
<td>Mechanical productivity, fleet size, car hire, lease savings</td>
</tr>
<tr>
<td>Other</td>
<td>$55</td>
<td>Support, Engineering, Supply, Joint Facilities, partially offset by incidents and weather</td>
</tr>
<tr>
<td></td>
<td>$170</td>
<td>2Q19 Net Productivity</td>
</tr>
</tbody>
</table>
Capital Program

Capital Spending & Returns

- Return-Focused Capital Program
- Productivity Through G55+0 Initiatives
- Capex Less than 15% of Revenue Longer-Term

* Adjusted to exclude the impact of Corporate Tax Reform.
** See Union Pacific website under Investors for a reconciliation to GAAP.

Strengthening the Franchise
Replacement, Growth & Productivity, and PTC

2019 Capital Plan: ~$3.2 Billion
($ in Millions)

- Safe & Resilient Infrastructure
- Equipment Acquisitions
  - Locomotive Modernizations
  - Targeted Freight Car Acquisitions
- Capacity & Commercial
  - Targeted Opportunities
  - Intermodal Growth
- Lower PTC Spending
Dividends

- Dividend Payout Target of 40% to 45%
- Five Dividend Increases in the past Eight Quarters

Declared Dividend Per Share (cents)

Cumulative Share Repurchases

- Repurchased ~39% of Shares since 2007
- Share Repurchase Authorization
  - Three Years Beginning April 1, 2019
  - Up to 150 Million Shares
- $2.5 Billion Accelerated Share Repurchase Program February 2019

* Through June 30, 2019
Growing Margins

Operating Ratio (Percent)

Unified Plan 2020 and G55+0

Drivers of Margin Improvement

2015 - 2017

Volume (11%) Positive Volume Growth

Price $1.3 B Above Inflation

Productivity $1 B Achieve Through Innovation & Efficiency Gains

2018 - 2020+

• Sub-61% Operating Ratio by 2019

• Below 60% Operating Ratio by 2020

• Unified Plan 2020 & G55+0 Opportunities

• Growing Earnings & Cash Flow

* Adjusted to exclude the Impact of Corporate Tax Reform and include the retrospective adoption of ASU 2017-07
**Capital Structure**

- **Increased Leverage**
  - Consistent Financial Performance
  - Tax Reform
  - Free Cash Flow Growth
- **Target Debt / EBITDA ratio**: up to 2.7x
- **Maintain Strong Investment Grade Credit Rating**
  - No Lower than Baa1 and BBB+
- **Dependent on Economy and Achievement of Financial Goals**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Debt / EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014*</td>
<td>1.4</td>
</tr>
<tr>
<td>2015*</td>
<td>1.7</td>
</tr>
<tr>
<td>2016*</td>
<td>1.9</td>
</tr>
<tr>
<td>2017*</td>
<td>1.9</td>
</tr>
<tr>
<td>2018*</td>
<td>2.3</td>
</tr>
<tr>
<td>2019**</td>
<td>2.5</td>
</tr>
<tr>
<td>Target</td>
<td>≤ 2.7</td>
</tr>
</tbody>
</table>

* at year-end  ** at June 30, 2019

**What This Means for Shareholders**

*Return ~$20 Billion + Dividends to Shareholders*

**Cash to Shareholders**

- **~$20 Billion of Share Repurchases Over Next 3 Years**
  - ~62% Complete at June 30, 2019
  - $2.5 Billion Accelerated Share Repurchase Program February 2019
- **Dividend Payout Ratio of 40% to 45%**
2019 Outlook

- Second Half Volume Down Around 2%
- Continued Pricing Gains In Excess of Inflation Dollars
- Capital Expenditures of ~$3.2 Billion
- Significant Productivity Savings from G55 + 0, Including Unified Plan 2020
- At Least $500 Million in 2019
- Full-Year Force Levels Down ~10%
- Sub-61% Operating Ratio in 2019
- Below 60% by 2020

Growing Shareholder Value

<table>
<thead>
<tr>
<th>KEY DRIVERS</th>
<th>2019 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Economy</td>
<td>Positive Volume Growth</td>
</tr>
<tr>
<td>Diverse Franchise Opportunities</td>
<td></td>
</tr>
<tr>
<td>Strong Value Proposition</td>
<td>Real Core Price $ Above Inflation $</td>
</tr>
<tr>
<td>Volume + Pricing + Productivity</td>
<td>Sub-61% OR by 2019, Below 60% OR by 2020</td>
</tr>
<tr>
<td>Return-Focused Capital Program</td>
<td>CapEx &lt; 15% of Revenue</td>
</tr>
<tr>
<td>Increase Cash to Shareholders</td>
<td>Share Repurchases: ~$20 Billion over 3 years</td>
</tr>
<tr>
<td>Increase Leverage</td>
<td>Dividend Payout Ratio: 40% to 45%</td>
</tr>
<tr>
<td>Strong Credit Ratings</td>
<td>Debt / EBITDA Ratio: ≤ 2.70</td>
</tr>
<tr>
<td></td>
<td>Baa1 and BBB+ or Better</td>
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Cautionary Information

This presentation and related materials contain statements about the Company’s future that are not statements of historical fact, including specifically the statements regarding the Company’s expectations with respect to economic conditions; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company’s and its subsidiaries’ business, financial, and operational results, and future economic performance; and management’s beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Company’s future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company’s and its subsidiaries’ future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company’s Annual Report on Form 10-K for 2018, which was filed with the SEC on February 8, 2019. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to our website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.