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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Union Pacific Railroad Company, d/b/a Keene Water System (U 0434 W) for Adjustments to Revenue Requirement, Rate Design, and Rates	A.25-03-____

APPLICATION OF UNION PACIFIC RAILROAD

FOR ADJUSTMENTS TO REVENUE REQUIREMENT, RATE DESIGN, AND RATES

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I. INTRODUCTION.

Pursuant to Rules 2.1, 2.2, 2.3, and 3.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), and consistent with Public Utilities Code Section 454, Union Pacific Railroad Company ("UPRR") d/b/a Keene Water System ("KWS") hereby submits this general rate case application presenting an updated revenue requirement and corresponding rate design that will be necessary to recover KWS's costs of service and give KWS an opportunity to earn a reasonable rate of return on its investments (the "Rate Case Application"). KWS is contemporaneously submitting an application authorizing it to relinquish its public utility status as a water utility and withdraw from the provision of water service in California (the "Withdrawal Application"). These two applications are interrelated and should be consolidated into a single proceeding, and KWS will request such consolidation shortly after the applications are submitted.

Based on the ratemaking calculations presented herein, the rate adjustments required to sustain KWS's ongoing operations are untenable and unsustainable, so the appropriate outcome is to relieve KWS of its public utility obligations, as explained in the Withdrawal Application. However, if the Commission nevertheless mandates KWS's continued operation, the Commission must take immediate steps to ensure that KWS has a rate structure that will allow it to cover its operating expenses, attract capital, and provide safe and reliable water service to the residents and small businesses in the area.[1] The status quo is not an option, as KWS has been in a chronic state of unprofitability for decades, with negative earnings since at least 2004 based on annual reports submitted to the Commission.[2]

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[1] To be constitutional, a utility rate structure must provide "enough revenue not only for operating expenses, but also for the capital costs of the business" and it must include a "return . . . sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital." *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944); *see also Bluefield Water Works v. Pub. Serv. Comm'n*, 262 U.S. 679, 692 (1923) ("a rate order must "permit [the utility] to earn a return on the value of property which it employs for the convenience of the public" at levels that are "equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding, risks and uncertainties.").

[2] As discussed further below, KWS is offering testimony from two UPRR employees with extensive knowledge of KWS's historical operations and financial distress, Ms. Barbara Orr and Mr. Robert Bylsma. These witnesses confirm the consistent negative earnings that KWS has experienced since being declared a

KWS is a Class D utility, so it could submit this rate case through advice letter, utilizing the procedures set forth in General Order ("G.O") 96-B. Rather than pursue this informal path, KWS has chosen to present a formal application, which will facilitate a full evidentiary record and an efficient consolidation with the Withdrawal Application. Despite the formal posture of this Rate Case Application, KWS has employed the "Standard Practices" applicable to Class D utilities in preparing the revenue requirement and rate design calculated herein.

This Rate Case Application is accompanied by the testimony of three company witnesses and three experts, which provide the factual basis for the operational, financial, and ratemaking inputs presented herein. KWS has also addressed each of the formalities required as part of a formal rate case submission. Collectively, these materials show that KWS's annual revenue requirement for continued water service in the area would be $780,627 resulting in average monthly bills of approximately $1,110, $2,810, and $18,900 per month for customers with 3/4-inch, 1-inch, and 2-inch meter sizes, respectively.[3] These are not affordable rates, but there are no feasible alternatives to this outcome if KWS remains in operation.[4]

KWS is only submitting this Rate Case Application and the accompanying Withdrawal Application after a full examination of alternatives, including incorporation of local water sources and potential consolidation with other utilities. As part of its due diligence, KWS has engaged in extensive conversations with Water Division staff over the past several years, including multiple discussions in the months preceding these applications. KWS has simply run out of options and cannot continue to hemorrhage money on a system with no realistic future of profitability without significant rate increases. Either KWS should be relieved of its obligations as a water utility, or the Commission should authorize the necessary rates to give it its constitutionally-required opportunity to earn a reasonable rate of return.

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public utility. *See Orr Testimony* at 3:11-12; *Bylsma Testimony* at 11:21-25; D.02-04-017 at 26 (COL 3) (concluding that KWS "is a public utility water system under [Public Utilities Code] Section 2107").

[3] *Orr Testimony* at 20:9-18.

[4] *Miller v. R.R. Comm'n. of Cal.*, 9 Cal.2d 190, 202 (1937) ("water users['] . . . inability to pay reasonable rates" cannot justify adopting a rate that is "insufficient to pay the cost of maintaining [the utility's] operating plant.").

II. HISTORICAL CONTEXT AND PROCEDURAL HISTORY.

UPRR never intended to be a water utility; it became one by operation of law as a byproduct of its railroad operations.[5] Historically, locomotives utilized steam engines, which depended on a ready supply of water in key locations.[6] Keene was one of these locations, situated just west of the Tehachapi Loop, a significant railway grade in Southern Pacific Railroad's system, which was later merged into UPRR.[7] To ensure that its steam engines were properly supported, UPRR relied on an antiquated pipeline that brought water from 10 miles away in Tehachapi.[8] While the primary purpose of this water delivery system was to support the railroad, UPRR also supplied surplus water to the limited number of households and small businesses in Keene and nearby Woodford, including when their own wells ran dry.[9] These ancillary water service functions came to be known as the Keene Water System, abbreviated here as "KWS."

While KWS's water delivery mechanisms were reasonably tailored to serve steam engines, the system was not constructed to be a sustainable or long-term community water system and the local area is not a rational location for a water utility.[10] By the mid-1990s, the water pipeline to Tehachapi was over 100 years old, had reached the end of its useful life, and was abandoned.[11] Local wells were drilled in 1994, but they provided only a limited water supply and suffered from significant water quality issues, including unreasonable levels of arsenic, fluoride, iron, and manganese.[12] There is no underground aquifer in the local area, which would make further drilling for water challenging, both from the standpoint of initially finding sufficient fractures in the bedrock to produce reasonable quantities of water and then having long term sustained production from those wells.[13]

Over time, production declined, requiring new wells to be drilled.[14] Additionally,

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[5] *Orr Testimony* at 5:5-11.
[6] *See Bylsma Testimony* at 4:12-14.
[7] *Id.* at 4:17:19.
[8] *Id.* at 4:12-14.
[9] *Orr Testimony* at 5:7-8; *see also Bylsma Testimony* at 3:18-20.
[10] *Orr Testimony* at 4:5-7; *see Atkinson Testimony* at 3:12-22; *see also Bylsma Testimony* at 4:11-5:6.
[11] *Bylsma Testimony* at 4:14-17.
[12] *Atkinson Testimony* at 4:5-15.
[13] *Id.* at 4:16-22.
[14] *Bylsma Testimony* at 1:27-28.

production would fall off seasonally, requiring KWS to rely on limited water hauling to address that seasonal water scarcity, as well as in times of peak demand.[15] As this occurred, KWS acquired water in Tehachapi from the municipal water system 10 miles away, hauled it to Keene by water tanker trucks, and refilled the KWS's water storage tanks, sometimes numerous times a day.[16] As a result of the Commission's 2006 directive, in 2009, KWS abandoned its local wells and, unable to find a more cost-effective alternative, began relying exclusively on water hauling to provide water to its service area.[17]

Given the unintended historical origins of KWS, it never applied for a Certificate of Public Convenience and Necessity ("CPCN") or formally sought public utility status. Indeed, KWS had stated its intent to abandon the water operation in 2000, but the Commission ordered KWS to continue operations while it investigated KWS's status in I.00-05-020. In the decision resolving that investigation, D.02-04-017, the Commission concluded that "[t]he Keene Water System is a public utility water system under [Public Utilities Code] Section 2107."[18] Although neither UPRR nor its predecessor intended to operate a public water system, the Commission concluded that they had "implicitly dedicated the water pipeline to public use" and that "Union Pacific is operating a public utility water system in the communities of Keene and Woodford in Kern County."[19] These determinations were affirmed in a decision rejecting KWS's application for rehearing, in which the Commission underscored that "until Union Pacific provides reasonable grounds for abandonment, the Commission's order not to discontinue service stands."[20]

While the Commission's investigation deemed KWS a public utility, it did not address the sufficiency or reasonableness of KWS's rates. D.02-08-075 noted that "Union Pacific is operating the system at rates it established" and found "no reason at this time to increase them." However, the same decision ordered the development of a ratemaking report by the Commission's Water

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[15] *Bylsma Testimony* at 5:19-25.
[16] *Bylsma Testimony* at 3:25-4:2
[17] *See id.* at 10:6-8.
[18] D.02-04-017 at 26 (COL 3).
[19] *Id.* at 2, 11.
[20] D.02-08-075 at 13. As explained in the Withdrawal Application filed contemporaneously with this Rate Case Application, the compelling facts have now been supplied to justify withdrawal of service.

Division, which was submitted in I.00-05-020 on June 12, 2003.[21] Based on the available facts, the report found that KWS's "current rates are not compensatory," which necessitated a rate case. The Water Division report identified rates that would be appropriate according to KWS's operations at the time. The Commission closed I.00-05-020 in 2003, noting that "Union Pacific Railroad Company (UP) shall file a general rate case with regard to its Keene Water System."[22]

KWS submitted the anticipated rate case in November 2004, and it was docketed as A.04-11-004. The proposed relief included adjustments to its revenue requirement and rate design, including increases to end user rates necessary to support KWS's ongoing operations. KWS also sought interim rate relief, with rates to be set at the levels identified in the 2003 Water Division report submitted in I.00-05-020. The Commission denied interim rate relief in D.05-04-028,[23] but it reached a final resolution of KWS's rate case in D.06-07-034.[24] The Commission adopted a revenue requirement of $120,121, slightly lower than the revenue requirement that KWS had proposed of $128,450.[25] The components of the revenue requirement included $108,109 in operating expenses and $12,012 in return on rate base.[26] The "return on rate base" reflected a rate of return of 2.39%, which the decision itself acknowledges is "well below the average rate of return of 12.90% normally used for Class D water utilities."[27] To generate the revenue reflected in the revenue requirement, the 2006 rate case decision authorized a rate design reflecting increases between 500% and nearly 900% for KWS's residential customers billed at 5/8-inch meter rates, using assumptions of water usage between 3,000 and 6,000 gallons per month.[28] The new rates took effect on March 7, 2007.

Since the conclusion of the 2006 rate case, KWS's costs of service have continued to increase, and its operations have become increasingly unsustainable with no viable operational alternatives. As the Commission ordered, KWS engaged an engineering firm, CH2MHill to study

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[21] *See* D.02-04-017 at 27 (OPs 4-5); *see also* D.03-10-073 at 1.
[22] *See* D.03-10-073 at 3 (OP 1).
[23] D.05-04-028 at 6 (OP 1).
[24] D.06-07-034 at 43-48.
[25] *Id.*, Appendix A (comparing revenue conferred by "Utility Estimated—Proposed Rates" to "Adopted Rates").
[26] *Ibid.* (identifying $108,109 in "Total Expenses" and $12,012 in "Net Revenue").
[27] *Id.* at 38 (FOF 12).
[28] *Id.*, Appendix C.

alternatives to the then existing system of local wells which experienced both water quality and production problems. But that study found that the available options were limited – additional wells with an expensive water treatment system or an equally expensive 10-mile pipeline from Tehachapi to Keene, with each option costing more than $2,000,000. Having been ordered by the Commission to improve both water quality and production from the existing system, KWS polled its customers regarding their willingness to support such investments through increased rates of $700-$800 or more. Not a single customer responded in the affirmative.[29] Recognizing that the scale of the impact these capital improvements would have had on customer rates, and the likely stranding of those capital assets, KWS, after consulting with both the State Department of Health and the Director of the Commission's Water Division, elected to instead haul water by truck from the City of Tehachapi's municipal wells as its source of supply.[30]

KWS has repeatedly explored all possible alternatives to water hauling, including both local wells with on-site treatment, pipelines to water sources outside the area, and even consolidation with other water purveyors. None of those options has shown promise. Even if an adequate local water supply could be found, the cost, including required treatment, would be at least $10 million based on an estimate from KWS's engineering consultant in August 2024,[31] an estimate that has been confirmed in expert testimony supporting this Application.[32] And despite KWS's diligent investigation of potential grant opportunities, no such grants have been obtained and none are reasonably available that even cover the enormous costs of drilling "test wells" in the area, much less the cost of actually constructing the facilities required to utilize a local water supply. At the same time, the costs of water hauling have increased significantly over time.

KWS has made several requests for rate adjustments since its 2006 rate case was resolved. Through Advice Letter 7, KWS sought a Consumer Price Index ("CPI") adjustment through the Commission's established process, effective January 21, 2009. In 2010, KWS filed Advice Letter

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[29] *Bylsma Testimony* at 8.

[30] *See* D.06-07-034 at 5-6 ("During dry summer periods, water production is often reduced. In these circumstances, Keene Water System must use the services of a private carrier to haul water by truck from Tehachapi to refill the Keene tanks.").

[31] *See Bylsma Testimony* at 17:11-12.

[32] *See Mah-Hing Testimony* at 10:18-20.

No. 9, seeking a "rate base offset" revenue increase whereby its rates were adjusted to reflect the revenue requirement impacts of the system improvements ordered in its 2006 rate case.[33] Based on this filing, the Commission authorized a surcharge of 28.94%, to be applied to all end users, generating an additional $33,320 in annual revenue.[34] Additional CPI adjustments were sought through Advice Letters 11 and 12, effective December 23, 2010, and October 16, 2012, respectively.

KWS filed another rate case in October 2012 via Advice Letter No. 13 ("AL 13"). That informal rate case filing was designed to update KWS's revenue requirement to reflect costs not captured by the rate design established in 2006, including the significant additional costs associated with water hauling. In November 2012, the Commission suspended AL 13, ordering KWS to further explore alternative water sources and potential grant funding to avoid the need for continued water hauling, which it did to no avail. AL 13 was ultimately rejected without prejudice in January 2015, leaving KWS's true costs of service unaccounted for in rates. Since that time, KWS has filed Advice Letters 18 and 24, effective December 20, 2018, and September 1, 2024, respectively, for CPI impacts, but these incremental increases have not resolved KWS's chronic underearning or inability to recover its costs of utility service. As shown in the Commission's approval of KWS's most recent CPI adjustment request, Advice Letter 24, KWS's earnings remained at negative 38.64% despite the CPI increase authorized on September 1, 2024.[35]

Based on its 2024 financials submitted with this Application, KWS's operations are hopelessly unprofitable, with no reasonable alternatives to resolve the endemic costs of this rural water system or generate additional revenues. Likewise, as suggested in D.02-04-017, KWS has explored consolidation with other utilities in the region, but those overtures have been rejected. All of these events have led KWS to this moment, where it must either withdraw from providing public utility service in the area or raise its rates to the level necessary to cover its true costs of service. The combination of this Rate Case Application and the corresponding Withdrawal

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[33] *See* D.06-07-034 at 44 (OP 6) ("No later than 270 days following the end of the stay period imposed in Ordering Paragraph 16, Keene will improve the distribution system downstream of the current master meters used to serve Upper Keene and Lower Keene.").

[34] *See* Res. W-4830 at 1.

[35] *Orr Testimony*, Attachment E (AL 24 Approval) at 1.

Application present these avenues to the Commission. The status quo is not an option.

III. CURRENT OPERATIONS AND FINANCIAL POSITION.

As of the date of this filing, KWS provides water service to 24 total customers, including 21 residential locations and three businesses. The residential customers include low-income and middle-income households in the communities of Keene and Woodford, which are adjacent to Highway 58, approximately halfway between Bakersfield and Mojave. The business customers include: the Stonybrook Corporation, which runs the Caesar Chavez National Monument; a fire station; and the Keene Café, a local diner. KWS has installed meters at each of its customer locations and also maintains meters at 13 additional locations where it no longer has customers. A map depicting each of the locations reached by KWS's water system is provided herewith as **Exhibit 1**. A spreadsheet showing historical customer counts from 2008 through February 2025 is also included herewith as **Exhibit 2**. As that spreadsheet confirms, KWS's customer base has historically ranged from 21 to 28 customers.

KWS's current water system consists of two 25,000-gallon storage tanks in Woodford that must be refilled an average of seven times a day, using water hauled in on trucks from Tehachapi. The storage tanks provide water to a local pipeline that runs for approximately three miles northwest along part of the Union Pacific railroad track and a portion of Highway 58. That pipeline feeds distribution systems in three main areas, two of which have subsidiary water mains, one along Baldwood Lane and another following El Rita Road. Not including service drops, the system relies on 13,850 feet of pipe. In addition to showing customer locations, **Exhibit 1** depicts the features of KWS's water system, including the locations of the seven now-defunct wells.

As explained above, KWS now relies exclusively on water hauling due to the lack of other viable cost-effective alternatives. This water hauling practice has been recognized by both the Water Resources Control Board ("Water Board") as a reasonable sourcing option under the circumstances, as reflected in the permit issued by the Water Board in June 2016.[36] The Commission's Water Division staff have also recognized the necessity of water hauling, and those

[36] *See Bylsma Testimony*, Exhibit 16 (explaining that "[t]he design of the Water System is believed to comply with the applicable Waterworks Standards and regulations.").

acknowledgments have been memorialized in various communications between Water Division and KWS representatives. Nevertheless, the State Water Board issued a Compliance Order on August 1, 2023, finding KWS in violation of Health & Safety Code Section 11655(a)(3) on the grounds that it "cannot meet its maximum day demand without using hauled water."[37] KWS challenged this determination, but also followed through on the Water Board's direction to solicit bids for the drilling of test wells. The bids ranged from $2.7 million to $4.2 million, making the costs of even drilling the test wells prohibitive. Unfortunately, even if those test wells were pursued, the construction of the additional wells and necessary water treatment would likely cost at least $10.2 million, not including the costs of acquiring the water rights and necessary easements, many of which would not be provided voluntarily. All of these factors leave KWS with no choice but to continue water hauling at an estimated cost of $292,313 for test year 2026.

Based on its small customer base, inhospitable water sourcing conditions, rural location, and high costs of service, KWS has been in financial distress from its inception and its lack of profitability has deepened with the passage of time. Based on its 2024 annual report, which was submitted to the Commission on February 25, 2025, and revised on March 24, 2025, KWS experienced earnings of *negative* $447,358, reflecting a profit margin of *negative* 348% and a return on rate base of *negative* 40%.[38] These devastating financial results are not idiosyncratic or temporary. Attached as **Exhibit 3** is a summary of historical returns on rate base for the past 20 years, all of which are dramatically negative. There is no reason to expect that this pattern will change absent large rate increases authorized by the Commission through this proceeding.

IV. RATEMAKING CALCULATIONS.

Consistent with longstanding Commission ratemaking practices and Water Division Standard Practice U-3-SM, KWS is computing its costs of service using a future test year of 2026, and it has prepared a rate design to take effect during that same year.[39] This proposal aligns the

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[37] *See Bylsma Testimony,* Exhibit 17 at RCB0352.

[38] *Orr Testimony* at 8:22-24.

[39] Standard Practice U-3-SM at 4 (referencing use of "future test year under the anticipated operating conditions") (emphasis in original); *see Los Angeles v. Pub. Utils. Comm'n,* 7 Cal.3d 331, 336 (1972) ("The test-period results are 'adjusted' to allow for the effect of various known or reasonably anticipated changes in gross revenues, expenses or other conditions, which did not obtain throughout the test period but

utility's costs with anticipated cost recovery. After establishing a utility's costs of service and summarizing them in a "revenue requirement," the Commission must then fashion rates for the test year that give the utility a reasonable opportunity to fulfill its revenue requirement. When the Commission sets rates, "revenue requirement" and the revenue from the rate design must be equal.[40]

The financial inputs for the test period are drawn from 2024 financial results, consistent with Water Division's expectations in Standard Practice U-3-SM.[41] 2024 financials have then been adjusted to a limited degree to reflect known and measurable impacts and expected changes in circumstances from 2024 to 2026 that are anticipated to impact KWS's costs. KWS has also supplied its historical revenues for 2024 based on its current rates. However, KWS's proposed rates incorporate significant increases necessary to recover its 2026 costs.

A. Revenue Requirement.

The revenue requirement is a measurement of cost, and it has three principal components: operating expenses, return, and tax expenses. KWS's operating expenses are drawn from historical, recorded results, in this case from KWS's 2024 annual report, with adjustments for impacts expected to occur up to and including the 2026 test year. According to Standard Practice U-3-SM, the return component of revenue requirement can be calculated based on the "return on rate base" or "rate of margin" methodologies, whichever provides the higher return. The "return on rate base" method is based on the net depreciated value of the utility's property that has been put to public use, multiplied by a cost of capital figure reflecting the rate of return that is necessary to attract investment in the operation. As an alternative to "return on rate base," Class D water

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which are reasonably expected to prevail during the future period for which rates are to be fixed, so that the test-period results of operations as determined by the commission will be as nearly representative of future conditions as possible.").

[40] *The Ponderosa Telephone Co. v. Pub. Utils. Comm'n*, 197 Cal.App.4th 48, 51-52 (2011) ("[T]he Commission examines the company's costs in a test year and determines the company's revenue requirement during that test year" and then "sets rates that are designed to enable a telephone company to generate sufficient revenue to meet the revenue requirement."); *S. Cal. Gas Co. v. Pub. Utils. Comm'n*, 23 Cal.3d 470, 476 (2023) ("The basic principle [of ratemaking] is to establish a rate which will permit the utility to recover its cost and expenses *plus* a reasonable return on the value of property devoted to public use.") (citing *City and County of San Francisco* v. *Pub. Utils. Comm'n*, 6 Cal.3d 119, 139 (1971). (emphasis in original)) (internal quotations omitted).

[41] Standard Practice U-3-SM at 5 ("Initially, consider the expenses booked by the utility and shown on its annual reports.").

companies may select a "rate of margin" approach whereby a prescribed return is permitted on the utility's expenses, but that alternative does not apply here.[42] Finally, the revenue requirement must account for tax expenses, but rather than relying on recorded historical figures, a forward-looking calculation is utilized, computing the anticipated expenses based on the earnings predicted in the test period.

KWS has prepared a standard revenue requirement calculation with each of these components, as summarized in the ratemaking model provided as **Attachment B** to Ms. Orr's testimony. Each component is discussed in further detail as follows.

1. Operating Expenses.

KWS's annual operating expenses are straightforward and fall into three principal categories: (1) the "transportation expense" of the water hauling; (2) the expense of purchasing water to be used in the water hauling; and (3) the expense associated with KWS's outside contractor, who performs water treatment functions, system maintenance, meter reading, monitoring of water hauling activities, and other critical activities to support the day-to-day operation of the system. KWS also forecasts some limited postage costs for customer notices.

Each of these expense categories are addressed in detail in Ms. Orr's testimony, and they are summarized in Attachment E to her testimony. A summary is as follows:

- ***Water Hauling Expense:*** The costs of water hauling are based on a simple equation, taking the estimated gallons of water used by customers in test year 2026 plus a reasonable 10% allowance for water loss multiplied by the three-year average per-gallon rates paid during 2022 through 2024. The resulting figure is $292,313. This is a reasonable estimate of the expenses KWS expects to experience in 2026 for these functions. The estimate is less than the three-year average that KWS has incurred in this expense category due to the exclusion of gallons lost due to suspected theft and leaks. The details behind this expense category are provided in **Attachment B** to Ms. Orr's testimony.

[42] *See* D.92-03-093 at 54 (OP 8); *see also* Standard Practice U-3-SM at 5 ("The grossed up dollar amount returns based on the average Rates of Return on Rate Base for Class C and Class D companies and the average dollar amount returns based on the Rates of Margin for Class C and Class D companies are then compared, choosing the higher one (per D.92-03-093).").

- ***Purchased Water Expense:*** The "purchased water" expense is also straightforward; it is based on the estimated gallons of water used by customers in test year 2026 plus a reasonable 10% allowance for water loss multiplied by the three-year average per-gallon rates paid during 2022 through 2024. Incorporating these factors, the purchased water expense is $16,936, as shown in **Attachment B** to Ms. Orr's testimony.
- ***Contractor Costs:*** KWS's water service contractor performs a variety of functions, ranging from water treatment and distribution services, provision of samples, reports, and chemicals used in water purification and testing, inspection and maintenance services, and oversight of the water hauling activities that are critical to KWS's sourcing of water in the area. These functions and their itemized expenses are set forth in **Attachment B** to Ms. Orr's testimony, reflecting a total of $63,071 in this category.

The above categories of expense reflect the vast majority of the year-over-year expense for the water system.

There is one other category of expense that must be included in the expense component of revenue requirement, which is the incremental cost of the rate case process, as manifested through the cost of hiring attorneys and expert witnesses to navigate the rate case itself. By its nature, rate case expense must be forecasted because it is an ongoing expense that will be incurred as a direct consequence of this ratemaking process. Given its dynamic and forward-looking character, rate case expense is not included in the historical expense figures that inform the overall expense profile for the company. Instead, these expenses must be budgeted on a transaction-specific basis, considering the reasonable cost of what it will take to see this Rate Case Application from inception to completion. The anticipated incremental expenses associated with this process are expected to be $500,000, including the cost of each of the expert witnesses supporting this Rate Case Application. In accordance with Standard Practice U-3-SM, these costs are being amortized over three years, which reflects the reasonable timeframe between the completion of this rate case and KWS's next rate case, assuming its request to withdraw as a public utility is not granted. After the amortization is performed, this results in a $166,667 figure for inclusion in revenue

requirement. The breakdown of the forecasted components of rate case expense is provided in **Attachment B** to Ms. Orr's testimony and the activities anticipated to be performed in this case are also summarized therein.

2. Rate Base.

Rate base is a measurement of the net depreciated value of property that has been put to public use in providing water service. In the 2006 rate case, the Commission approved a rate base of $502,611. The Commission subsequently allowed a rate base increase of $685,588 in Resolution W-4830, for assets added in 2009 as ordered by D.06-07-034. Since that time, significant additional investments have been required. KWS invested $502,497 in replacement water tanks purchased and constructed, $58,539 in "booster pump" devices, and $5,427 in master meter installations. KWS anticipates adding additional master meters in 2025 for approximately $25,000. The testimony provided by Mr. Arash Shahabi demonstrates the reasonableness of the water tank purchases and the testimony from Ms. Orr shows how the plant in service figures are integrated with annual depreciation accruals. Based on these figures, for test year 2026, the overall plant in service is estimated to be $1,945,395, and after considering depreciation, the net rate base is estimated to be $1,049,478.

3. Cost of Capital, Rate of Return, and Rate of Margin.

For Class D water utilities, revenue requirement includes either a return on rate base or a "rate of margin" computed based on the utility's expenses. Pursuant to Standard Practice U-3-SM, KWS has computed its required "returns" using both methodologies. KWS's "return on rate base" is computed using the cost of capital percentage issued by Water Division staff, attached as **Attachment C** to Ms. Orr's testimony. As a matter of law, water utilities are entitled to operate under a rate structure that affords a fair opportunity to earn a reasonable rate of return. KWS has also engaged a cost of capital expert, Mr. D'Ascendis, whose testimony shows that KWS faces profound operational risks, including its small size, its rural location, its challenging terrain, and its difficulties in sourcing water. All of these factors create significant operational risks and necessitate corresponding returns, leading to a cost of capital of 11.71% and a corresponding rate of return of the same 11.71%. As Mr. D'Ascendis explains, the appropriate cost of capital—and

rate of return in the same percentage—are the product of a balancing of debt and equity factors that consider the relative risks and appropriate ratio between these capital sources.

According to Commission Standard Practice U-3-SM, KWS's returns are defined by a comparison between the "rate of return on rate base," and the "rate of margin." Whichever is higher must be applied in determining the "return" component of the utility's revenue requirement. As discussed in Ms. Orr's testimony and as shown in Attachment E to her testimony, KWS's "rate of return" exceeds the computed "rate of margin," so the rate of return calculation should be incorporated into the revenue requirement.

4. Tax Expenses.

Tax expenses typically include federal and state income tax, property tax, and certain franchise taxes. KWS experiences all of these categories of tax, but it is only claiming anticipated income tax and franchise tax in this Rate Case Application. The property taxes attributable to KWS's assets are included as part of the composite, centrally-assessed property value reported by UPRR. The cost of segregating this property tax amount and including it in KWS's revenue requirement is not justified in light of the anticipated small amount of cost involved. Nevertheless, this is a real cost and its exclusion shows that KWS's revenue requirement is conservative.

KWS's income tax cannot be derived from historical figures because it must account for the profits that KWS is expected to experience during the test year under the requested rates. Indeed, if historical figures were used, KWS would have zero income tax expenses because it has had *zero profits* for the last two decades. Because the Commission's approach to ratemaking is forward-looking and it relies on a future test year, the income tax calculation must also be prospective. Consistent with Standard Practice U-9-SM, KWS has performed a tax gross-up calculation using the composite federal and state income tax rates, as applied to KWS's projected revenue under its proposed rate design. The formulas and figures behind this calculation are included in Ms. Orr's testimony and summarized in Attachment B to her testimony. This generates an income tax figure of $42,046 for the test year.

The other tax component in KWS's ratemaking model is the "franchise tax" imposed by

Kern County. KWS expects that figure to be $15,633, including the cost of posting the required bond under the franchise. Documentation supporting this figure is supplied with Ms. Orr's testimony.[43]

B. Rate Design.

As discussed above, KWS's cost of service has significantly increased since its last resolved rate case in 2006, and its prospective rates must be adjusted to account for these cost increases. As shown in **Attachment B** to Ms. Orr's testimony, the rate design proposed by KWS is weighted heavily towards including the additional costs of service in the variable quantity charge to promote water conservation. KWS currently bills four meter sizes based on usage. The rate design for this rate case reduces the billed meter sizes to three as 3/4-inch meters were installed for residential customers, which was not envisioned when the original rates were created. The rates for each tier will necessitate a significant increase, as shown in Attachment E to Ms. Orr's testimony, to account for changes in circumstance up to and including the end of test year 2026.

C. Special Request No. 1 – Recovery of Costs from 2023 Water Board Compliance Order.

In addition to recovering its annual costs of service as measured through the 2026 test year, KWS has one active memorandum account whose associated costs should be subject to recovery through this rate case. Based on Advice Letter 21 ("AL 21"), which the Commission approved on October 20, 2023, KWS is authorized to record the costs of pursuing compliance with the August 1, 2023, Compliance Order issued by the Water Board. As discussed above, that Compliance Order directed KWS to explore the drilling of new wells in the Keene area to obviate the need for continued water hauling, but this alternative water sourcing concept is purely theoretical as it would be prohibitively expensive. Nevertheless, KWS has incurred unavoidable administrative, legal, and engineering expenses in addressing the Compliance Order, and these amounts are appropriate for recovery on top of the costs identified for recovery in the 2026 test year. None of the test year expenses include the costs of compliance with the 2023 Compliance Order, so these

[43] *Orr Testimony* at 18:26-19:7, Attachment B.

additional expenses should be recovered through a separate surcharge whereby the cost is amortized over a three-year period.

A full categorization and accounting of the compliance expenses authorized by AL 21, through the end of February 2025, are identified in the tab labeled as "Compliance Order" in Ms. Orr's testimony. These expenses include costs of the engineering, real estate, and legal consultants, as well as cost to obtain title reports, right of entry, and easements. While the tasks associated with the Compliance Order remain ongoing, it is reasonable to recover the known expenses recorded to date in this memorandum account, which total $185,104. As expenses continue to be incurred, the memorandum account can remain open, and, if necessary, the expenses can be recovered at a future date. A three-year amortization is reasonable because it is the longest timeframe identified in Standard Practice U-27-W.[44]

V. SUMMARY OF TESTIMONY.

This Rate Case Application is supported by the pre-filed written testimony of three company witnesses and three expert witnesses. Each piece of testimony has been served contemporaneously with this Rate Case Application, including service on relevant Water Division personnel. Each witness is identified as follows with an accompanying summary of the corresponding testimony:

Robert Bylsma, *Senior General Attorney, Union Pacific Railroad*: Mr. Bylsma has been an in-house attorney with UPRR for the past 27 years, and one of his chief responsibilities has been overseeing the regulatory compliance obligations for KWS. Through his testimony, Mr. Bylsma provides historical context for this Rate Case Application and KWS's accompanying request to withdraw from service. He sets forth the facts and circumstances that led to KWS's classification as a public utility, the struggles that KWS has experienced in operating its rural water system, and the options that KWS has explored in an effort to create a viable and affordable alternative for water sourcing in the area. He details KWS's past regulatory history before the Commission and KWS's interactions with the Water Board. As Mr. Bylsma explains, these efforts have been made in good faith, but they have proved fruitless, necessitating these two

[44] *See, e.g.*, Standard Practice U-27-W at 16.

applications.

Barbara Orr, *Director of Financial Reporting, Union Pacific Railroad*: Ms. Orr has been employed by UPRR for 17 years, during which she has performed financial and accounting functions, including those necessary to submit KWS's annual reports with the Commission for the past five years. Through her testimony, Ms. Orr summarizes KWS's ratemaking figures, including the costs that inform the revenue requirement and the rates that are necessary to recover that revenue requirement. Mr. Orr's testimony discusses each significant category of expense and investment that contributes to KWS's costs of providing regulated service. She also supplies the figures reflecting the costs recorded to the memorandum account authorized pursuant to AL 21, which forms the basis for the surcharge that would recover the expenses associated with the 2023 Water Board Compliance Order.

Arash Shahabi, *Director of Fuel and Environmental Assets, Union Pacific Railroad:* Mr. Shahabi has performed engineering, operational, and system design functions for UPRR for the past eight years, and his duties include overseeing the plant investments for KWS. Mr. Shahabi summarizes the plant additions that have been made since the 2006 decision resolving KWS's last rate case, where KWS's rate base was last reviewed. His testimony demonstrates the reasonableness of KWS's investments to support the figures reflected in the revenue requirement.

Dylan D'Ascendis, *Partner, Scott Madden*: Mr. D'Ascendis is a financial expert with extensive experiencing performing "cost of capital" assessments for regulated public utilities, including water companies. His testimony computes the cost of capital that is necessary for KWS based on a 2026 test year, and considers the full range of risks that KWS's small, rural water system experiences.

Lindsey Atkinson, *Senior Technical Consultant—Hydrology, Groundwater, and Well Design*, *Jacobs Engineering Group, Inc*: Ms. Atkinson is a professional engineer with Jacobs Engineering Group, Inc. ("Jacobs"), and she is familiar with the system design issues and water sourcing concerns that KWS is facing. Her testimony addresses the options for obtaining alternative water sources to evaluate the reasonableness of KWS's current "water hauling" approach.

Gregory K. Mah-Hing, *Professional Engineer and Estimating Manager, Jacobs Engineering Group, Inc.*: Mr. Mah-Hing is also a professional engineer, working for Jacobs. His specialty is cost estimates for utility projects, including water well drilling. His testimony confirms the accuracy and reasonableness of the estimates that Jacobs previously provided to drill new wells in the Keene and Woodford area.

VI. PROCEDURAL REQUIREMENTS AND FORMALITIES.

Because this Rate Case Application seeks "authority to increase rates, or implement changes that would result in increased rates, it must comply with each of the requirements of Rule 3.2, in addition to the generic application requirements in Rules 2.1, 2.2, and 2.3. Rule 2.4, involving California Environmental Quality Act compliance, is not implicated because this Rate Case Application does not seek approval for any "project" and involves only proposed ratemaking adjustments.[45] KWS demonstrates compliance with the formal application requirements as follows.

A. Corporate Information (Rule 2.1(a)).

The full name of KWS is "Union Pacific Railroad Company d/b/a Keene Water System." KWS is a corporation organized under the laws of Delaware, and its principal place of business is 1400 Douglas Street, Omaha, Nebraska 68179. Its business telephone number is (402) 544-5000. KWS is operated as a division of UPRR, but it is not a separate corporate affiliate. Nevertheless, the financials and ratemaking calculations associated with KWS' water system are segregated from UPRR's other functions, including its railroad operations.

B. Notices and Correspondence (Rule 2.1(b)).

KWS consents to service by email in connection with this proceeding. Correspondence and notices regarding this Application should be sent to counsel for KWS as follows:

Patrick M. Rosvall
Sarah J. Banola
BRB Law LLP
492 9th Street, Suite 220
Oakland, California 94607
(phone) 510-955-1081
(email) patrick@brblawgroup.com

[45] *See* Rule 2.4(a) (limiting CEQA review to requests for "authority to undertake any projects").

with copies to KWS's Senior General Attorney, Robert Bylsma, at RCBYLSMA@up.com.

C. Corporate Organization and Qualification to do Business (Rule 2.2).

As explained above, KWS is a division of UPRR, so KWS is providing UPRR's Articles of Incorporation in compliance with Rule 2.2, dated February 1, 1998, as **Exhibit 4**. UPRR's certificate reflecting its qualification to do business in California is provided herewith as **Exhibit 5**. KWS does not have a separate certificate to do business in California, although the Commission has designated KWS using the utility number "U 0434 W."

D. Financial Statements (Rule 2.3 and 3.2(a)(1)).

As a division of UPRR, KWS does not prepare separate audited financial statements reflecting the financials specific to KWS's water system. However, KWS's financials are tracked separately and used to inform annual reports with the Commission pursuant to G.O. 104-A. Therefore, in compliance with Rules 2.3 and 3.2(a)(1), KWS is providing three documents. First, the 2024 Form 10-K of Union Pacific Corporation, the parent company of UPRR, are provided herewith as **Exhibit 6**. Second, the trial balance with the unaudited financials used to prepare KWS's annual report is provided herewith as **Exhibit 7**. Third, KWS's 2024 annual report is provided as **Exhibit 8**, in the same form that it was filed in revised form with the Commission on March 24, 2025.

E. Categorization, Issues, and Need for Hearings (Rule 2.1(c)).

Because it will have a direct impact on rates and potentially impact the availability of water service in KWS's service area, this proceeding is properly categorized as "ratesetting" under Rule 1.3(g).[46] KWS expects this matter to require evidentiary hearings, although the scope and extent of such hearings will be influenced by many factors, including potential participation by intervenors, the possibility of stipulating to the applicable facts, and the procedural state of the Withdrawal Application, which KWS requests be consolidated with this proceeding. KWS reserves the right to revisit the need for hearings once all parties are known and all testimony has been submitted to facilitate an examination of disputed facts.

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[46] Rule 1.3(g) ("'Ratesetting proceedings' are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities).").

The issues for consideration in this proceeding are as follows:

1. What are KWS's costs of service, and how should those costs be reflected in an appropriate revenue requirement for test year 2026?

2. What is the appropriate rate design for KWS that will allow KWS a reasonable opportunity to recover its costs of service and earn a reasonable rate of return on its investments?

3. Are the customer rates necessary to support KWS's operations "just and reasonable" rates, and would the public interest be better served by implementing those rates or granting KWS's request to withdraw from service, as reflected in the Withdrawal Application?

F. Proposed Schedule and Need for Consolidation With Withdrawal Application (Rules 2.1(c), 7.4).

KWS has proposed a full schedule for this proceeding in **Exhibit 9** to this Rate Case Application. The schedule contemplates a consolidation of this proceeding with the Withdrawal Application and a joint hearing to address the full range of issues presented by both applications. Consistent with Rule 7.4, these proceedings are appropriate for consolidation because they involve "related questions of law or fact" pertaining to the viability of KWS's operations and the extent to which cost recovery is possible while maintaining "just and reasonable" rates. The financial and ratemaking questions presented by this Rate Case Application are inextricably linked to the withdrawal proposal in the Withdrawal Application, and both efficiency and comprehensiveness militate in favor of a joint consideration of these matters.

G. Customer Notice and Service of Application (Rule 3.2(b), (c), (d)).

KWS has prepared a notice to all customers to be delivered as a bill insert with the April 2025 billing cycle, in accordance with Rule 3.2(d). As a reference, a copy of the notice has been include with this Rate Case Application as **Exhibit 10**. The notice explains the requests in both the Rate Case Application and the Withdrawal Application given their interrelatedness and alternative requested relief. The Commission's Public Advisors' Office has approved this notice.

In addition to the billing notice to be distributed during April, the contents of this notice will be published in substantially the same form in the Tehachapi News, the closest publication of general circulation to Keene and Woodford. This anticipated publication will comply with Rule

3.2(c). To address service obligations on the Attorney General and the municipal contacts specified in Rule 3.2(b), KWS has emailed this Rate Case Application and the accompanying Withdrawal Application to the appropriate individuals contemporaneously with submission of this filing. Copies of both applications have also been served on the Water Division Director and pertinent Water Division personnel with whom KWS has corresponded in preparing these applications. KWS will also post a copy of the customer notice at the local post office in Keene. KWS will provide the required confirmations of its noticing obligations after they are completed in accordance with Rule 3.2(e).

VII. LIST OF EXHIBITS.

The following exhibits are attached to this Application, not including the materials supplied with the supporting testimony:

Exhibit 1 – KWS Service Territory and Facilities Map

Exhibit 2 – KWS Historical Customer Counts

Exhibit 3 – KWS Historical Returns

Exhibit 4 – UPRR Articles of Incorporation

Exhibit 5 – UPRR Business Certificate

Exhibit 6 – Union Pacific 10-K

Exhibit 7 – KWS Unaudited Trial Balance

Exhibit 8 – 2024 Annual Report

Exhibit 9 – Proposed Proceeding Schedule

Exhibit 10 – Customer Notice

VIII. CONCLUSION.

As the facts presented with this Application and the associated testimony demonstrate, KWS has reached the point where its water system is unsustainable. No viable grants exist for system upgrades and no realistic opportunities exist for consolidation with other utilities. Even to maintain the current system of water hauling, which in itself is inherently inefficient, KWS would have to raise average rates by more than 345% or more, compromising affordability in its service territory. Without such rate increases, KWS will remain hopelessly unable to achieve a reasonable

rate of return, which is inconsistent with constitutional and statutory requirements. The only rational solution is to permit KWS to withdraw from service, but if the Commission refuses to permit this step, the results of operations and rate adjustments proposed in this Rate Case Application must be adopted.

Dated this March 28, 2025, at Oakland, California.

Patrick M. Rosvall
Sarah J. Banola
Chan Q. Vu
BRB Law LLP
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Oakland, CA 94607
Telephone: (510) 955-1081
Email: patrick@brblawgroup.com

By: *__/s/ Patrick M. Rosvall_____*
Patrick M. Rosvall

Attorneys for Union Pacific Railroad Company d/b/a Keene Water System

VERIFICATION

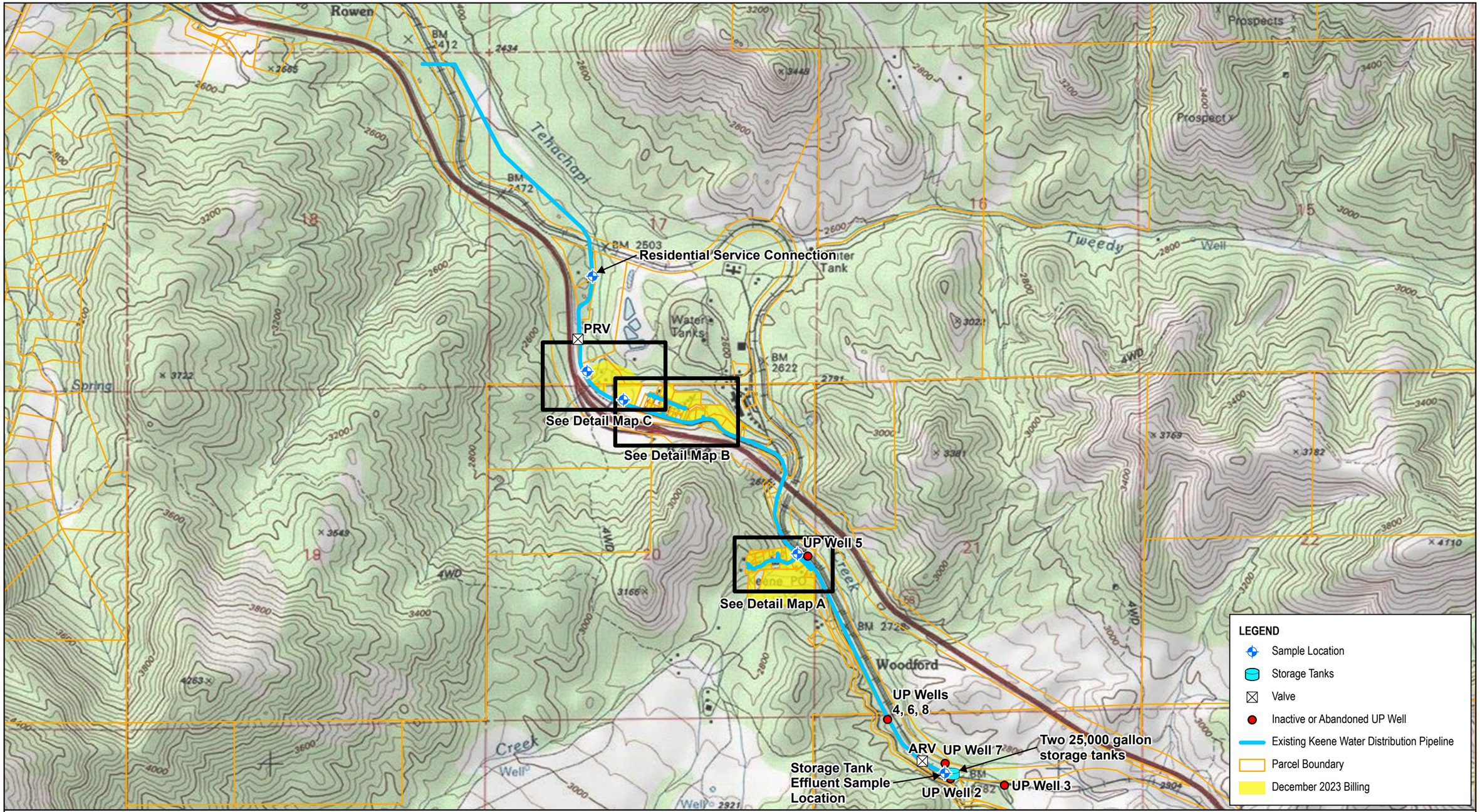
I, James B. Boles, declare:

I am a Vice President in the Law Department of Union Pacific Railroad Company. I am authorized to make this verification on Union Pacific's behalf. I have read the Application and know the contents thereof and I can confirm that the factual representations therein are true of my own personal knowledge except as to matters therein stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury under the laws of the State of California that, to the best of my knowledge and on information and belief, the foregoing is true and correct.

Executed at Omaha, Nebraska, this 28th day of March, 2025.

James B. Boles
Vice President – Law
Commercial and Regulatory
Union Pacific Railroad Company

Exhibit 1



Basemap Source:
U.S. Geological Survey, 7.5' Topographic Map, Keene, California, 1992

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Attachment T1-Figure 1
Schematic/Map of System and Facilities
Keene Water System - Existing Water Supply and System Modifications
Keene Water System - New Water Supply and System Modifications

Jacobs

\\DC1VS01\GISPROJ\U\UPRR\UPRR_KEENE_CA\MAPFILES\UPRR_KEENE.APRX ATTACHMENT T1-FIGURE1 - MAP OF SYSTEM AND FACILITIES 4/16/2024 11:21 AM

Basemap Source:
Bing Maps Aerial (2024)

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Attachment T1-Figure 2
Schematic/Map of System and Facilities - Detail Map A
Keene Water System - Existing Water Supply and System Modifications
Keene Water System

Jacobs

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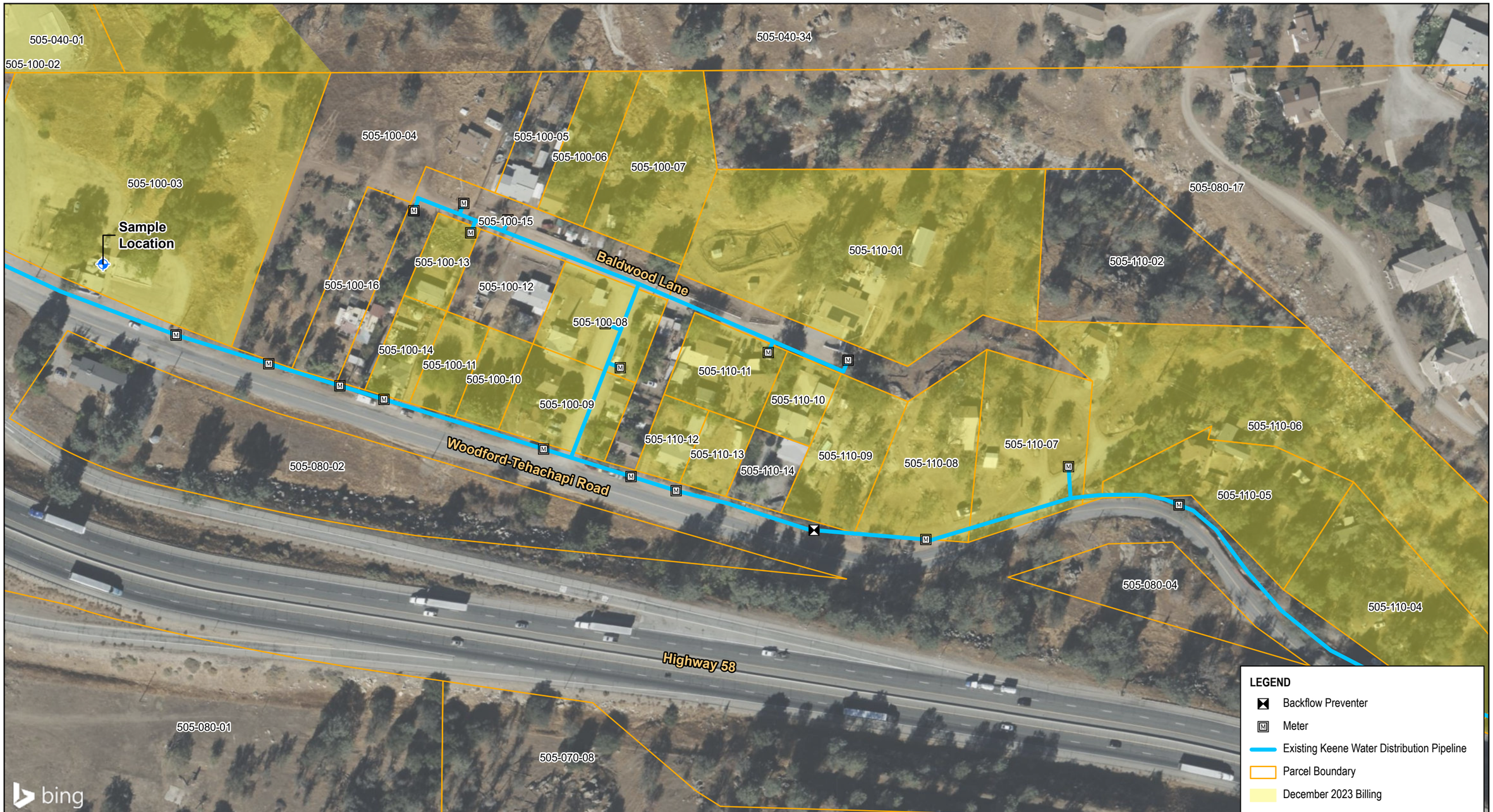

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Bing Maps Aerial (2024)

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Attachment T1-Figure 3
Schematic/Map of System and Facilities - Detail Map B
Keene Water System - Existing Water Supply and System Modifications
Keene Water System

Jacobs

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Basemap Source:
Bing Maps Aerial (2024)

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Attachment T1-Figure 4
Schematic/Map of System and Facilities - Detail Map C
Keene Water System - Existing Water Supply and System Modifications
Keene Water System

Jacobs

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Exhibit 2

Keene Water System Customer Counts

As of December 31st of each year

Year	Active	Inactive	Total
2008	26	9	35
2009	27	8	35
2010	26	9	35
2011	26	9	35
2012	26	9	35
2013	23	12	35
2014	22	13	35
2015	22	13	35
2016	21	14	35
2017	22	14	36
2018	21	15	36
2019	24	12	36
2020	26	10	36
2021	24	12	36
2022	28	9	37
2023	27	10	37
2024	25	12	37
2025*	24	13	37

Exhibit 3

Keene Water System
Trial Balance
Debit/(Credit)
AS REPORTED

Keene Acct Number	Desc	Balance @ 12/31/2004	Balance @ 12/31/2005	Balance @ 12/31/2006	Balance @ 12/31/2007	Balance @ 12/31/2008	Balance @ 12/31/2009	Balance @ 12/31/2010 Revised	Balance @ 12/31/2011	Balance @ 12/31/2012	Balance @ 12/31/2013	Balance @ 12/31/2014
311	Pumping Equipment							50,492	54,737	54,737	54,737	54,737
317	Other Water Source Plan											
330	Reservoirs, Tanks, Standpipes											
331	Water Mains	609,226	609,226	609,226	609,226	609,226	1,353,932	1,353,932	1,353,932	1,353,932	1,353,932	1,353,932
101	Water Plan in Service	609,226	609,226	609,226	609,226	609,226	1,353,932	1,404,424	1,408,669	1,408,669	1,408,669	1,408,669
105	Construction Work in Progress				163,020	701,578					25,314	26,852
108	Accum Depreciation	(106,614)	(121,844)	(137,075)	(152,305)	(167,535)	(195,177)	(229,025)	(264,233)	(299,450)	(334,667)	(369,884)
141	Accounts Receivable - Customers				28,261	39,575	40,116	13,421	18,013	16,328	3,155	5,819
180	Deferred Charges											
215	Retained (Earnings)/Deficit			331,012	620,415	741,214	841,038	1,554,464	1,867,382	2,093,681	2,325,261	2,586,171
231	Accounts Payable											
233	Customer Deposits											
241	Other Current Liabilities			(803,163)	(1,268,617)	(1,924,058)	(2,039,909)	(2,743,284)	(3,029,831)	(3,219,228)	(3,427,732)	(3,657,627)
253	Other Credits											
462.1	Public Fire Protection											
470.1	Residential/Dwelling Units											
470.2	Commercial/Master Metered											
470	Metered water revenue	(10,413)	(13,798)	(19,661)	(69,069)	(115,132)	(105,194)	(91,095)	(118,994)	(131,691)	(127,825)	(111,153)
480	Other water revenue							(1,366)				
400	Operating Revenues	(10,413)	(13,798)	(19,661)	(69,069)	(115,132)	(105,194)	(92,461)	(118,994)	(131,691)	(127,825)	(111,153)
610	Purchased Water	14,054	96,182									19,911
615	Purchased Power	6,000	6,000									
	Purchased Chemicals	5,727	12,140									
630	Employee Labor	73,128	88,690	79,543	81,412	38,893	830	5,725				
640	Materials	16,995	11,003									
650	Contract Work			53,417	46,821	31,800	61,123	56,132	63,014	53,031	41,832	44,233
	Water Testing	3,389	658									
660	Transportation Expense	12,000	12,000	57,698	127,324	94,884	86,566	685,472	305,110	260,380	270,860	253,060
664	Other plant maintenance exp			11,647	25,672	31,973	11,382	4,776	19,850	1,112	775	
676	Uncollectible accounts exp	16,067	15,814					4,706				
678	Office Services and Rentals											
681	Office Supplies and Expense											
682	Professional services				50,931	12,006		4,899	1,352	967	5,060	14,445
688	Regulatory commission exp	4,827	4,787					1,674	1,423	1,785	1,975	2,167
689	General exp			11,293	11,082	11,145	17,475	6,551	4,058	3,118	1,052	474
401	Operating Expenses	152,187	247,274	213,598	343,242	220,701	177,376	769,935	394,807	320,393	321,554	334,290
403	Depreciation Expense	15,230	15,230	15,230	15,230	15,230	27,642	33,848	35,208	35,217	35,217	35,217
408.3	Other taxes and licenses							2,104	1,897	2,380	2,634	2,556
409	Income tax on proposed net income											
	Net (income)/loss	157,004	248,706	209,167	289,403	120,799	99,824	713,426	312,918	226,299	231,580	260,910
	Profit Margin:	(1,508%)	(1,802%)	(1,064%)	(419%)	(105%)	(95%)	(772%)	(263%)	(172%)	(181%)	(235%)
	Rate of Return:	(31%)	(51%)	(44%)	(63%)	(27%)	(9%)	(61%)	(27%)	(20%)	(22%)	(25%)

Keene Water System
Trial Balance
Debit/(Credit)
AS REPORTED

Keene Acct Number	Desc	Balance @ 12/31/2015	Balance @ 12/31/2016	Balance @ 12/31/2017	Balance @ 12/31/2018	Balance @ 12/31/2019	Balance @ 12/31/2020	Balance @ 12/31/2021 Revised	Balance @ 12/31/2022	Balance @ 12/31/2023 Revised	Balance @ 12/31/2024 Revised
311	Pumping Equipment	54,737	54,737	54,737	54,737	54,737	54,737	54,737	58,539	58,539	58,539
317	Other Water Source Plan									-	5,427
330	Reservoirs, Tanks, Standpipes					502,497	502,497	502,497	502,497	502,497	502,497
331	Water Mains	1,353,932	1,353,932	1,353,932	1,353,932	1,353,932	1,353,932	1,353,932	1,350,130	1,350,130	1,353,932
101	Water Plan in Service	1,408,669	1,408,669	1,408,669	1,408,669	1,911,166	1,911,166	1,911,166	1,911,166	1,911,166	1,920,395
105	Construction Work in Progress	26,852	26,852	26,852	309,157						
108	Accum Depreciation	(405,101)	(440,318)	(475,535)	(510,752)	(558,531)	(606,310)	(654,089)	(701,868)	(749,647)	(798,855)
141	Accounts Receivable - Customers	2,783	5,157	4,694	8,300	6,299	10,448	9,771	32,688	49,775	9,938
180	Deferred Charges									54,905	203,759
215	Retained (Earnings)/Deficit	2,916,732	3,241,775	3,580,946	4,142,922	4,549,398	4,874,708	5,261,665	5,689,911	6,087,856	6,536,524
231	Accounts Payable							(1,464)	(3,640)	(7,449)	(4,438)
233	Customer Deposits				(9,149)		(0)	(42)	-	-	-
241	Other Current Liabilities	(3,949,935)	(4,242,135)	(4,545,626)	(5,349,147)	(5,908,332)	(6,190,011)				
253	Other Credits							(6,527,007)	(6,928,257)	(7,346,605)	(7,867,323)
462.1	Public Fire Protection			(12,326)	(8,406)	(9,381)	(7,562)	(18,693)	(4,832)	(4,980)	(16,668)
470.1	Residential/Dwelling Units			(23,024)	(32,091)	(34,049)	(38,979)	(52,357)	(50,610)	(60,611)	(62,058)
470.2	Commercial/Master Metered			(63,411)	(72,208)	(56,515)	(55,270)	(52,282)	(51,306)	(44,648)	(49,743)
470	Metered water revenue	(96,289)	(97,160)								
480	Other water revenue										
400	Operating Revenues	(96,289)	(97,160)	(98,761)	(112,706)	(99,945)	(101,811)	(123,332)	(106,748)	(110,239)	(128,469)
610	Purchased Water	20,227	12,347	15,666	22,152	8,689	10,427	19,043	21,389	24,295	25,063
615	Purchased Power										
	Purchased Chemicals										
630	Employee Labor										
640	Materials				3,372	1,278					
650	Contract Work	43,721	44,114	49,838	124,745	145,585	42,755	33,393	58,908	60,843	54,189
	Water Testing										
660	Transportation Expense	268,858	321,693	329,857	484,046	300,834	326,160	387,673	388,213	370,175	418,892
664	Other plant maintenance exp										
676	Uncollectible accounts exp								395	1,283	20,078
678	Office Services and Rentals									-	4,085
681	Office Supplies and Expense									-	263
682	Professional services	52,298	7,797	2,285							
688	Regulatory commission exp	1,667						1,464	11,941	1,554	2,744
689	General exp	2,639	1,035	5,069	2,806						
401	Operating Expenses	389,410	386,986	402,715	637,121	456,387	379,342	441,573	480,846	458,150	525,314
403	Depreciation Expense	35,217	35,217	35,217	35,217	47,779	47,779	47,779	47,779	47,779	47,897
408.3	Other taxes and licenses	2,223			2,344	2,254			6,369	2,255	2,616
409	Income tax on proposed net income										
	Net (income)/loss	330,561	325,043	339,171	561,976	406,476	325,310	366,020	428,246	397,944	447,358
	Profit Margin:	(343%)	(335%)	(343%)	(499%)	(407%)	(320%)	(297%)	(401%)	(361%)	(348%)
	Rate of Return:	(33%)	(34%)	(36%)	(63%)	(30%)	(25%)	(29%)	(35%)	(34%)	(40%)

Exhibit 4

CERTIFICATE OF INCORPORATION

OF

UNION PACIFIC RAILROAD COMPANY

Adopted Effective as of February 1, 1998

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF CORRECTED CERTIFICATE OF MERGER OF "UNION PACIFIC RAILROAD COMPANY", FILED IN THIS OFFICE ON THE SECOND DAY OF MARCH, A.D. 1998, AT 8:30 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Edward J. Freel, Secretary of State

AUTHENTICATION: 8947662

DATE: 03-02-98

0703228 8101

981078559

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 08:30 AM 03/02/1998
981078559 - 0703228

CORRECTED

CERTIFICATE OF MERGER

Pursuant to Section 103(f) of the General Corporation Law of the State of Delaware

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FIRST: On January 30, 1998, a Certificate of Merger was filed in which Union Pacific Railroad Company, a Utah corporation, merged with and into Southern Pacific Transportation Company (the "Corporation"), a Delaware corporation. At the effective time of the merger, the Corporation changed its name to Union Pacific Railroad Company.

SECOND: Exhibit A to the Certificate of Merger contained typographical errors throughout the document. The Certificate of Merger attaching Exhibit A is hereby corrected to read in its entirety as attached hereto.

THIRD: This foregoing correction was prepared in accordance with the provisions of Section 103(f) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this Corrected Certificate of Merger has been duly executed as of this 24th day of February, 1998.

UNION PACIFIC RAILROAD COMPANY

By: Carl W. von Bernuth
Name: Carl W. von Bernuth
Title: Vice President and General Counsel

0125541.02-WilmingtonS1A

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"UNION PACIFIC RAILROAD COMPANY", A UTAH CORPORATION,

WITH AND INTO "SOUTHERN PACIFIC TRANSPORTATION COMPANY" UNDER THE NAME OF "UNION PACIFIC RAILROAD COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRTIETH DAY OF JANUARY, A.D. 1998, AT 1:40 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Edward J. Freel, Secretary of State

0703228 8100M

981038616

AUTHENTICATION: 8894826

DATE: 01-30-98

CERTIFICATE OF MERGER

OF

UNION PACIFIC RAILROAD COMPANY

WITH AND INTO

SOUTHERN PACIFIC TRANSPORTATION COMPANY

Pursuant to Section 252 of the General Corporation Law of the State of Delaware, Southern Pacific Transportation Company, a Delaware corporation ("SPT"), hereby certifies to the following information relating to the merger (the "Merger") of Union Pacific Railroad Company, a Utah corporation ("UPRR"), with and into SPT:

FIRST: The name and state of incorporation of each of the constituent corporations is:

Name	State
Union Pacific Railroad Company	Utah
Southern Pacific Transportation Company	Delaware

SECOND: An Agreement and Plan of Merger, dated as of January 29, 1998 (the "Plan of Merger"), has been approved, adopted, certified, executed and acknowledged by each constituent corporation in accordance with the provisions of Section 252 of the General Corporation Law of the State of Delaware and the provisions of Section 16-10a-1107 of the Utah Revised Business Corporation Act.

THIRD: The name of the surviving corporation is Southern Pacific Transportation Company, provided that at the effective time of the Merger (the "Effective Time") its name shall be changed to Union Pacific Railroad Company (the "Surviving Corporation").

FOURTH: At the Effective Time, the Certificate of Incorporation of SPT in effect immediately prior to the Effective Time shall be amended in its entirety as set forth in Exhibit A hereto and, as so amended, shall be the certificate of incorporation for the Surviving Corporation.

FIFTH: An executed copy of the Plan of Merger is on file at the principal office of the Surviving Corporation, located at 1416 Dodge Street, Omaha, Nebraska 68179. A copy of the Plan of Merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of SPT or any shareholder of UPRR.

SIXTH: Immediately prior to the Merger, the only classes of capital stock of UPRR were: (a) its Common Stock, $10.00 par value per share, of which 92,000,000 shares were authorized and 62,220,244 shares were issued and outstanding; (b) its Class A Stock, par value $10.00 per share, of which 8,000,000 shares were authorized and 5,410,456 shares were issued and outstanding; and (c) its Redeemable Preference Shares (Series A and Series B) with an initial par value of $10,000 per share, of which 5,500 shares were authorized and 4,829 Redeemable Preference Shares, Series A, and 436 Redeemable Preference Shares, Series B, were issued and outstanding.

SEVENTH: The Merger shall become effective at 12:01 a.m. Eastern Standard Time on February 1, 1998.

IN WITNESS WHEREOF, SPT has caused this Certificate of Merger to be executed by its duly authorized officer as of this 29th day of January, 1998.

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: Carl W. von Bernuth
Name: Carl W. von Bernuth
Title: Vice President and General Counsel

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EXHIBIT A

CERTIFICATE OF INCORPORATION

OF

UNION PACIFIC RAILROAD COMPANY

ARTICLE I – NAME

The name of the corporation is Union Pacific Railroad Company (the "Corporation").

ARTICLE II – ADDRESS AND REGISTERED AGENT

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III – PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (as the same may be amended from time to time, the "GCL").

ARTICLE IV – AUTHORIZED SHARES

4.1 Authorized Capital. The Corporation is authorized to issue three classes of capital stock to be designated, respectively, "Common Stock", "Class A Stock" and "Redeemable Preference Shares." The total number of shares of all classes of capital stock which the Corporation shall have authority to issue shall be Fifteen Thousand Five Hundred (15,500). The total number of authorized shares of Common Stock shall be Nine Thousand Two Hundred (9,200), and the par value of each such share shall be Ten Dollars ($10.00). The total number of authorized shares of Class A Stock shall be Eight Hundred (800), and the par value of each such share shall be Ten Dollars ($10.00). The total number of authorized shares of Redeemable Preference Shares shall be Five Thousand Five Hundred (5,500), with an initial par value of $10,000 per share.

4.2 Issuance of Class A Stock. The Class A Stock shall be issued only in such number of shares as, when taken together with the number of shares of Common Stock issued and outstanding, will equal 8% of the total number of shares of Class A Stock and Common Stock outstanding.

4.3 Identical Rights and Privileges; Voting; Liquidation. The Common Stock and Class A Stock shall be identical in all respects and shall have the same voting, liquidation and other rights, except as provided herein with respect to cash dividends. The Common Stock and Class A Stock shall vote as a single class on all matters and shall have unlimited voting rights. Upon dissolution, the holders of the Common Stock and Class A Stock shall be entitled to receive the net assets of the Corporation. Such net assets shall be divided among and paid to the holders on a pro-rata basis based on the number of shares of Common Stock and Class A Stock held by them. Each holder of record of the Redeemable Preference Shares shall have the rights and privileges, and shall be subject to the restrictions and limitations, set forth in Article V hereof.

4.4 Dividend Rights of Class A Stock. The shares of Class A Stock shall be entitled to a cash dividend, as and when a cash dividend is declared on the shares of Common Stock, in such amount as shall equal 8% of the sum of such dividend on the Class A Stock and such dividend on the Common Stock, provided that dividends shall be declared and paid in any calendar year on the Class A Stock only to the extent that Unappropriated Allocated Available Income (as defined below) in respect of prior calendar years (including Unappropriated Allocated Available Income for years prior to the merger of MPRR (as defined below) into UPRR (as defined below)) shall be sufficient to pay any required Additional Sinking Fund Payment (as defined below).

If any deficiency in the payment of cash dividends on the Class A Stock occurs because Unappropriated Allocated Available Income is insufficient to permit the requisite Additional Sinking Fund Payment, a special cash dividend shall be paid on the Class A Stock in the amount of such deficiency as and when Unappropriated Allocated Available Income which is subsequently earned in respect of a calendar year suffices to permit an Additional Sinking Fund Payment in the requisite amount related to such special cash dividend to be made in accordance with the preceding paragraph.

Any deficiency in the payment of cash dividends on the Class A Stock of MPRR which shall have accrued prior to the merger of MPRR into UPRR shall, from and after the effectiveness of such merger, be treated as a deficiency in the payment of cash dividends on the Corporation's Class A Stock and shall be payable to the holders of the Corporation's Class A Stock as a special cash dividend in accordance with the next preceding paragraph.

4.5 No Restrictions on Common Stock Dividends. Nothing in this Article IV shall limit or restrict the amount of dividends which the Corporation may pay on the Common Stock.

4.6 Subdivision or Combination. If the Corporation shall in any manner subdivide (by stock split, stock dividend or otherwise) or combine (by reverse stock split or otherwise) the outstanding shares of either the Common Stock or the Class A Stock, or in the event of any change in the capitalization of the Corporation as the result of a merger of the Corporation with or into another company or a similar transaction, the voting, dividend and liquidation rights of Class A Stock relative to Common Stock shall be appropriately adjusted so as to avoid any dilution in the aggregate voting, dividend or liquidation rights of the Class A Stock in relation to the Common Stock.

4.7 Definitions. The following definitions shall apply to this Article IV:

An "Additional Sinking Fund Payment" means the sinking fund payment required by the terms of the third paragraph of the Certificates and Section 3.03 of the Indenture and shall be an amount equal to 25% of the aggregate amount of cash dividends declared and paid on the Class A Stock.

The "Certificates" mean the Registered Certificates Representing a Charge on Income issued by MKT and dated as of January 1, 1958, as modified by the Order of the Interstate Commerce Commission served May 19, 1988, in Finance Docket No. 30800 (the "Order").

The "Debentures" mean the 5½% Subordinated Income Debentures due January 1, 2033, issued by MKT pursuant to the Indenture.

The "Indenture" means that certain Indenture, dated as of January 1, 1958, between MKT and The New York Trust Company, as modified by (i) a First Supplemental Indenture, dated as of July 1, 1960, between MKT and Chemical Bank New York Trust Company (as successor to The New York Trust Company), (ii) the Order and a Second Supplemental Indenture, dated as of August 12, 1988, between MPRR (as successor to MKT) and Chemical Bank (formerly called Chemical Bank New York Trust Company), (iii) a Third Supplemental Indenture, dated as of January 1, 1997, between UPRR (as successor to MPRR) and The Chase Manhattan Bank (formerly called Chemical Bank), and (iv) a Fourth Supplemental Indenture, dated as of February 1, 1998, between the Corporation (as successor to UPRR) and The Chase Manhattan Bank.

"MKT" means Missouri-Kansas-Texas Railroad Company, a Delaware corporation.

"MPRR" means Missouri Pacific Railroad Company, a Delaware corporation.

"Unappropriated Allocated Available Income" for a calendar year means the Allocated Available Income (as defined in the Indenture) remaining unappropriated under clause (6) of the provisions of the Certificates relating to the application of Allocated Available Income and paragraph (6) of Section 2.03 of the Indenture.

"UPRR" means Union Pacific Railroad Company, a Utah corporation.

ARTICLE V – REDEEMABLE PREFERENCE SHARES

5.1. General. The Redeemable Preference Shares shall be issued in the manner, and shall have and be subject to the designations, privileges, powers, preferences and rights, and the qualifications, limitations, restrictions, and priorities, set forth herein:

(A) Definitions. In addition to the other terms defined in this Amended Certificate of Incorporation, the following definitions shall apply to this Section 5.1, unless the context otherwise requires:

"Agreement" means a written agreement between the Corporation and the United States of America represented by the Secretary acting through the Administrator, for the issuance and sale to the United States of the Shares to which reference is made.

"Secretary" means the U.S. Secretary of Transportation of the United States or his or her designee (by delegation of authority the Administrator of the Federal Railroad Administration, United States Department of Transportation, hereinafter the "Administrator", or his or her designee).

"Share" means a Redeemable Preference Share.

"SSW" means St. Louis Southwestern Railway Company, a Missouri Corporation.

"SSW Mergers" means the merger of SSW into SSW Merger Corp. and the merger of SSW Merger Corp. into UPRR, both of which were effective on September 30, 1997.

"SSW Redeemable Preference Shares" means those redeemable preference shares originally issued by SSW which contained terms substantially similar to the terms of the UPRR Redeemable Preference Shares and which were ultimately converted into UPRR Redeemable Preference Shares as a result of the SSW Mergers.

"UPRR Merger" means the merger of UPRR into the Corporation, which was effective on February 1, 1998.

"UPRR Redeemable Preference Shares" means those redeemable preference shares originally issued by UPRR which contained terms substantially similar to the terms of the Shares as authorized in Article V hereof and which were ultimately converted into Shares issued by the Corporation as a result of the UPRR Merger.

The terms "original issuance date", "issuance date" and words of like import mean the original issuance date of the SSW Redeemable Preference Shares of the applicable series, which were ultimately converted into UPRR Redeemable Preference Shares as a result of the SSW Mergers, which UPRR Redeemable Preference Shares were in turn ultimately converted into Shares as a result of the UPRR Merger.

(B) Other Preference Shares. All Shares of any series shall rank equally and be identical in all respects with all other series of Shares, except as otherwise expressly provided in this Amended Certificate of Incorporation.

(C) Par Value. Each Share shall have an initial par value of $10,000.00. Upon payment of any mandatory redemption installment of any Shares, the par value of each such Share shall become an amount equal to the initial par value of such Share reduced by the amount of such redemption installment on such Share. The initial par value of any Share shall also be reduced by (1) the amount of any mandatory redemption installments paid by SSW with respect to any SSW Redeemable Preference Share that was ultimately converted into a UPRR Redeemable Preference Share as a result of the SSW Mergers, and which UPRR Redeemable Preference Share was in turn ultimately converted into such Share as a result of the UPRR Merger, and (2) the amount of any mandatory redemption installments paid by UPRR with respect to any UPRR Redeemable Preference Share that was ultimately converted into such Share as a result of the UPRR Merger.

(D) Seniority.

(1) The Shares shall be senior in right to all common stock and preferred stock of the Corporation, whenever issued, with respect to dividend and redemption payments, and in the case of liquidation or dissolution of the Corporation; but said Shares shall be subordinate, as to dividend and redemption payments thereon and in the case of liquidation or dissolution of the Corporation, to all of the Corporation's Senior Debt (as defined herein).

(2) As used herein, the term "Senior Debt" means principal and premium, if any, and accrued interest to the extent payable thereon, whether outstanding on the issue date of the Shares or created thereafter but prior to the time the Shares shall become a fixed interest debt obligation of the Corporation (pursuant to the Section providing for the issuance of each series of Shares hereunder or the Agreement) on all the following indebtedness of the Corporation: (a) for money borrowed by the Corporation, whether the same be evidenced by bonds, notes, equipment trust certificates or debentures or evidenced by a loan agreement or an indenture or similar instruments; or (b) for money borrowed by others and assumed or guaranteed, directly or indirectly, by the Corporation; or (c) constituting purchase money obligations or mortgage indebtedness for payment of which the Corporation is directly or contingently liable, or on which the Corporation customarily pays interest, including, but not limited to, purchase money bonds, notes, debentures or mortgages, conditional sale agreements, mortgages made or given or guaranteed by the Corporation as mortgagor or guarantor, and assumed or guaranteed mortgages upon property; or (d) under equipment lease obligations; or (e) to general creditors, including lessors, trade creditors and employees of the Corporation; and (f) if prior to the time the Shares shall become a fixed interest debt obligation of the Corporation, renewals, extensions and refundings of such indebtedness.

(E) Dividends. The Board of Directors shall have no discretion in the declaration and payment of dividends on the Shares. Each outstanding Share shall be entitled to mandatory dividend payments payable annually on the anniversary of the original issue thereof in accordance with the Payment Schedule in the Section providing for the issuance of each series of Shares hereunder; provided, however, that such dividend shall be payable only if and to the extent that (a) the Corporation has "Available Capital" (as defined herein); and (b) the Corporation is not insolvent

and the payment of such dividend would not render the Corporation insolvent. The Administrator shall be the sole determiner of whether conditions (a) and (b) above have been met. "Available Capital" means surplus or net profits or other capital legally available for the payment of dividends, in accordance with the GCL, reduced by any amount the payment of which the Administrator, in the Administrator's sole judgment, deems would impair the safe operation of the railroad properties of the Corporation or the maintenance of the usual standards of efficiency or economy of operation of such properties. The determinations and judgments of the Administrator provided for under clauses (a) and (b) of this paragraph shall be reached following consideration of such information with respect thereto as the Corporation may present to the Administrator not later than thirty (30) days prior to the date specified for payment of such dividend. If the conditions set forth in clauses (a) and (b) are met, either as to the entire amount of such dividend or any part thereof, such dividend (or the part thereof with respect to which such conditions are met) shall become an immediately due and payable debt obligation of the Corporation to the extent such dividend is payable. If any such dividend would not be payable (and is not fully paid) because of failure to meet the conditions set forth in clauses (a) or (b), the unpaid portion thereof shall cumulate until such conditions are met either as to the entire unpaid portion or any part thereof, at which time the Corporation shall pay such unpaid portion (or the part thereof with respect to which such conditions are met) to the extent so payable. If not so paid, such payable amount shall become an immediately due and payable debt obligation of the Corporation. Unless and until the cumulated and then due dividends are fully paid, the Corporation shall not make any distribution of assets, surplus, net profits or other capital (whether by dividends, redemptions or otherwise) to any other class of the Corporation's securities to which the Shares have priority as to dividends or redemption installments thereon or in the case of dissolution or liquidation. Nothing herein contained, however, gives any holder of Shares the right and privilege to participate in the net profits of the Corporation beyond the aforesaid fixed, preferential annual dividend. Notwithstanding the foregoing, the Corporation shall have the right at its option, to pay at any time part or all of any unpaid portion of a dividend payable or cumulating pursuant hereto, provided that the Corporation is not prohibited at such time from making such payment by the laws of the Corporation's state of incorporation.

(F) Redemption.

(1) Each outstanding Share shall be entitled to mandatory redemption installments payable annually on the anniversary date of the date of issuance thereof in accordance with the Payment Schedule in the Section providing for the issuance of each series of Shares hereunder, but not to exceed in the aggregate the initial par value of such Share. Upon payment of any mandatory redemption installment on any Share, the par value of such Share shall become an amount equal to the initial par value of such Share reduced by the amount of such redemption installment and all previously paid redemption installments on such Share (including redemption installments paid by SSW in respect of the SSW Redeemable Preference Shares and redemption installments paid by UPRR in respect of the UPRR Redeemable Preference Shares).

(2) The Board of Directors shall have no discretion in the declaration and payment of redemption installments on Shares. Except where prepaid in accordance with the terms and conditions set forth in the Section providing for the issuance of each series of Shares hereunder, each redemption installment shall be paid on its due date to the extent that (a) the Corporation has Available Assets (as defined herein), and (b) the Corporation is not insolvent and the payment of such redemption installment would not render it insolvent. The Administrator shall be the sole determiner of whether conditions (a) and (b) above have been met. "Available Assets" means assets of the Corporation legally available for the redemption of shares of capital stock in accordance with the GCL, reduced by any amount the payment of which the Administrator, in the Administrator's sole judgment, deems would impair the safe operation of the railroad properties of the Corporation or the maintenance of the usual standards of efficiency or economy of operation of such properties. The determinations and judgments of the Administrator provided for under clauses (a) and (b) of this subparagraph (2) shall be reached following consideration of such information with respect thereto as the Corporation may present to the Administrator not later than thirty (30) days prior to the date specified for payment of such redemption installment. If the conditions set forth in clauses (a) and (b) above are met, either as to the entire amount of such installment or any part thereof, such installment (or the part thereof with respect to which such conditions are met) shall become an immediately due and payable debt obligation of the Corporation to the extent such installment is payable. If any such redemption installment would not be payable (and is not fully paid) because of a failure to meet the conditions set forth in clauses (a) or (b) hereof, the unpaid portion thereof shall cumulate until such conditions are met as to such unpaid portion to the extent thereof, at which time the Corporation shall pay such unpaid portion (or the part thereof with respect to which such conditions are met) to the extent so payable. If not so paid, such payable amount shall become an immediately due and payable debt obligation of the Corporation. Unless and until the cumulated and then due redemption installments are fully paid, the Corporation shall not make (i) any distribution of assets (whether by dividend, redemption or otherwise) to any other class of the Corporation's securities to which the Shares have priority as to dividends or redemption installments thereon, or in the case of liquidation or dissolution; or (ii) any voluntary distribution of assets (whether by dividend, redemption, or otherwise) to any of the Corporation's securities which have priority over the Shares as to dividend or redemption installment thereon, without the Administrator's prior written consent. Nothing herein contained, however, gives any holder of Shares the right and privilege in the case of liquidation or dissolution to participate in the assets of the Corporation beyond the aggregate unredeemed par value of, and unpaid cumulated and unpaid accrued dividends (contingent or fixed principal and vested and/or accrued interest, as the case may be) on the Shares which have been issued to such holder or the outstanding part thereof. Notwithstanding the foregoing, the Corporation shall have the right at its option, to pay at any time part or all of any unpaid portion of a redemption payment payable or cumulating pursuant hereto, provided that the Corporation is not prohibited at such time from making such payment by the laws of the state of its incorporation.

(3) Upon payment of any mandatory redemption installment on any Share, the par value of each such Share shall be reduced by the amount of such redemption

installment. If at any time Available Assets are insufficient to pay the full amount of the redemption installments due on Shares having the same date of issuance, such Available Assets shall be applied pro rata to reduce the par value of such Shares. Inclusion by the stockholders of this subparagraph (3) in this Amended Certificate of Incorporation of the Corporation shall constitute the approval by the stockholders, including the holder or holders of the Shares, of all further amendments to said Certificate necessary to reduce the par value of the Shares as contemplated hereunder, and no further meeting of the stockholders, including the holder or holders of the Shares, shall be required to effect such amendments. Upon the reduction of the par value of the Shares hereunder, the Corporation shall cause a Certificate of Amendment to be filed in accordance with state law.

(4) Shares redeemed pursuant to subparagraphs (1) and (2) of this Paragraph (F) shall be surrendered to the Corporation. Notwithstanding that any certificate for Shares shall not have been surrendered to the Corporation, the rights of the holders of such Shares shall cease and such Shares shall be deemed no longer outstanding, if:

(a) in the case of optional redemption pursuant to the Section providing for the issuance of each series of Shares hereunder, notice shall have been given and, on or before the redemption date specified in such notice, all funds necessary for such redemption shall have been deposited in trust with the bank or trust corporation specified in the notice; or

(b) in the case of mandatory redemption pursuant to subparagraphs (1) and (3) hereof, payment shall have been made of the outstanding par value of any Shares and any unpaid cumulated dividends and unpaid accrued dividends (in excess of such unpaid cumulated dividends) thereof, or if the address of the holder of any such Shares is unknown, all funds necessary for such payment shall have been deposited in trust with a national bank or trust company for the benefit of such holder.

(5) Where dividends and redemption installments are to be paid from coincidentally Available Capital and Available Assets, dividends and any cumulations thereof are to be paid first and redemption installments and any cumulations thereof are to be paid second. In no event shall there be a full redemption of any Shares without full payment of all cumulated and then due dividends thereon.

(G) Voting Rights.

(1) Other than as set forth in this Paragraph (G), or as required by law, the Shares shall not have any voting rights in the conduct of the business of the Corporation, and such Shares shall not have any voting rights on any Transaction (as defined in Paragraph (I) hereof) consummated in accordance with the provisions of said Paragraph (I).

(2) Whenever any dividend or redemption payment which is due on the Shares (in accordance with the payment Schedule in the Section providing for issuance of each series of Shares hereunder) shall have remained unpaid for a period of four (4) months, whether or not payable as provided herein, the holder or holders of the Shares shall have the exclusive right to elect or appoint, in the manner hereinafter provided, two persons to serve as members of the Board of Directors of the Corporation, in which event the number of directors constituting the Board of Directors shall be increased by two to reflect such newly created directorships. Whenever the right of the holder or holders of the Shares to elect or appoint two members of the Board of Directors shall have vested, it shall be exercised initially in the most expeditious manner, either by written consent of such holder or holders as provided or permitted by law, or at an annual meeting of the stockholders, or at a special meeting of stockholders called in accordance with the By-Laws, and thereafter either by such written consent or at such annual or special meeting. The term of office of the directors so elected or appointed by the holder or holders of the Shares shall continue until the next annual meeting or until their successors are elected or appointed, provided that upon payment by the Corporation of all dividend and redemption installments which are due, such terms shall forthwith terminate. Any vacancies in the two specially created directorships prior to such termination may be filled by written consent of the holder or holders of the Shares. Notwithstanding the foregoing, in no event shall such holder or holders be entitled at any time to elect or appoint more than an aggregate of two members of the Corporation's Board of Directors.

(H) Liquidation, Dissolution or Winding Up.

(1) In the event of any voluntary liquidation, dissolution or winding up of the Corporation, but only in the event that the Shares shall not have become a debt obligation of the Corporation pursuant to the Agreement, the holders of Shares shall be entitled to receive, after payment in full of Senior Debt, the outstanding par value plus any unpaid cumulated and unpaid accrued dividends (in excess of unpaid cumulated dividends) thereon.

(2) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, but only in the event that the Shares shall have become a debt obligation of the Corporation pursuant to the Agreement, the holders of Shares shall be entitled to receive after payment in full of Senior Debt, the unpaid principal thereof and all unpaid interest thereon due to the date of payment whether accrued, contingent, cumulated or vested or whether previously denoted par value and dividends.

(3) If the distributable assets are insufficient to make payment in full in accordance with the foregoing subparagraphs (1) and (2), such assets shall be distributed pro rata to the holders of the Shares according to the outstanding par value of such Shares held by each.

(I) Merger or Consolidation. In the case of any consolidation of the Corporation with, or merger of the Corporation with or into, one or more corporations (other than a consolidation or merger in which the Corporation is the continuing corporation and which does not result in any

reclassification or change in securities of the Corporation), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, or in the case of a reclassification or change of any outstanding equity security of the Corporation (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination) (any and all such events being herein called a "Transaction"), the Corporation or such successor or purchasing corporation shall give to the holders of the Shares written notice thereof at least twenty (20) days prior to the effective date of the Transaction and shall have its authorized representative certify to the holders that the holders of such Shares then outstanding shall have the same rights and privileges upon the effectiveness of such Transaction as the holders had immediately prior thereto. Nothing herein, however, waives any of the holders' rights available under the laws of the Corporation's state of incorporation.

(J) Agreement.

(1) Shares shall be subject to and entitled to the benefits of these Articles and an Agreement. An Agreement gives the holders of a majority of aggregate par value then outstanding of the Shares the rights, upon the happening of certain events of default set forth in the Agreement, to declare the Shares to be a fixed interest debt obligation of the Corporation and/or to declare an acceleration of redemption payments (or principal payments, as the case may be) to not less than 15 annual payments (including payments already made), with such payments (or further payments) to begin 10 days after declaration thereof (except, if scheduled redemptions have already begun, to continue with the next redemption installment) but not earlier than the 6th anniversary date of the date of the original issuance of Shares and/or to declare an increase in the dividend rate (or interest rate, as the case may be) on the Shares in accordance with the Section providing for the issuance of each series of Shares. Except as otherwise provided, commencing upon each such declaration and until the next declaration each subsequent payment shall be equal in total redemption and dividend (principal and interest) amount. In the event of certain other events of default, including the Corporation's discontinuance of business, making a general assignment for the benefit of creditors, and filing a petition in bankruptcy, the Shares shall automatically become a fixed interest debt obligation of the Corporation and the redemption installments (or principal payments, as the case may be) set forth in the Payment Schedule in the Section providing for the issuance of each series of Shares hereunder shall automatically accelerate to a maximum of 15 annual payments (including payments already made), each subsequent payment to be equal in total principal and interest amount, with such payments (or further payments) to begin immediately upon the occurrence of such event of default (except, if scheduled redemptions have already begun, to continue with the next redemption installment) but not earlier than the 6th anniversary date of the date of original issuance of the Shares, and the dividend rate (or interest rate, as the case may be) on the Shares shall automatically be to the highest permissible rate raised in accordance with the Section providing for the issuance of each series of Shares.

Notwithstanding the provisions of this subparagraph, the Shares may become a fixed interest debt obligation only if, when and to the extent they may become a debt obligation without

violating any provisions of the laws of the Corporation's state of incorporation. The holders of the Shares and the Corporation agree that in the event of any litigation concerning the question of whether the provisions of the laws of the Corporation's state of incorporation must be met in order that the Shares become a fixed interest debt obligation of the Corporation pursuant to an Agreement, no evidence other than the Agreement and the Shares as to the intent of the parties to the Agreement on such question shall be introduced by the parties to the Agreement. Except as otherwise provided in this Paragraph (J) or an Agreement, upon the Shares becoming a fixed interest debt obligation hereunder, the Payment Schedule in the Section providing for the issuance of each series of Shares hereunder shall represent fixed mandatory interest (at the dividend rate set forth in such Section hereunder) and principal payments, and any unpaid cumulated dividend and/or redemption installments (and contingent interest and/or principal payments, as the case may be), shall respectively become immediately due and payable accrued interest and principal (and any accrued dividends or vested right to interest shall become immediately accrued interest payable in accordance with the Payment Schedule in the Section providing for the issuance of each series of Shares hereunder except as otherwise provided in this Paragraph (J) or the Agreement) and such fixed mandatory interest payments and fixed mandatory principal payments shall be, when due, an absolute and unconditional obligation of the Corporation and shall not be governed by statutory limitations regarding distributions in respect of equity securities, nor by the provisions of Paragraphs (E) and (F) hereof.

(2) If the Corporation shall classify the Shares as debt on any balance sheet furnished to any class of its stockholders or creditors, or otherwise issued publicly, such Shares shall automatically become a subordinated debt obligation of the Corporation ("Subordinated Debt") as of the date of such balance sheet, and dividend and redemption installments thereon shall become, respectively, contingent interest and principal payments, provided such Shares could lawfully become Subordinated Debt. In such event, contingent interest will be payable at the dividend rate set forth in the Section providing for the issuance of each series of Shares hereunder and in accordance with the Payment Schedule in such Section hereunder (except as otherwise provided in this Paragraph (J) or the Agreement); provided, however, that the Corporation's obligation to pay contingent interest shall be subject to the conditions set forth in clauses (a) and (b) of Paragraph (E). Contingent principal payments will be payable in accordance with the provisions of Paragraph (F) hereof (except as otherwise provided in this Paragraph (J) or the Agreement); provided, however, that the Corporation's obligation to pay contingent principal payments shall be subject to the conditions set forth in clauses (a) and (b) of subparagraph (2) of Paragraph (F). Such Shares which have become Subordinated Debt will be subordinate to Senior Debt of the Corporation. The classification of the Shares as Debt and such Shares becoming Subordinated Debt in accordance with this subparagraph shall not constitute an event of default under the Agreement, but if an event of default shall have occurred before or shall occur after such Shares have become Subordinated Debt, such Subordinated Debt may become fixed interest debt as that term is used in the Agreement when Shares directly become fixed interest debt.

(K) No Waiver. The failure of any holder of Shares to exercise any rights granted to it hereunder or under the share certificate shall not constitute a waiver of such rights or of any other rights. Failure by any holder of Shares to exercise any rights granted hereunder or under the share certificate, in the event of non-payment of any required payment when due, shall not be deemed a waiver of such non-payment or of further non-payments by the Corporation. The remedies granted to the holders of Shares hereunder or under the share certificate shall be deemed cumulative and not exclusive.

(L) Certificates. The Shares are issued subject to the following conditions and each certificate for such Shares shall be marked or stamped substantially as follows:

> "The preferences and other rights, terms and conditions of the Redeemable Preference Shares are as stated in the Corporation's Amended Certificate of Incorporation. A written description of such preferences and other rights, terms and conditions will be supplied upon request to each holder by the Corporation. This Certificate is issued subject to the provisions limiting transfer or sale of the Shares of the Corporation contained in the Amended Certificate of Incorporation, and neither this Certificate nor any of the Shares represented by it may be sold, transferred or assigned, except in accordance with the provisions of the Amended Certificate of Incorporation. A full statement of said limitations upon transfer or sale will be furnished upon request and without charge to any stockholder.
>
> The Shares represented by this Certificate have not been registered under the Securities Act of 1933, as amended, or any other state or Federal laws, including the provisions of Section 11301 of Title 49 of the United States Code (49 U.S.C. 11301). Such shares have been acquired for investment and all holders thereof at any time hereby acknowledge and agree that such shares may not be offered for sale, sold, delivered after sale, transferred, pledged or hypothecated, nor will any assignee or endorsee hereof be recognized as an owner hereof by the issuer for any purpose, unless a Registration Statement under the Securities Act of 1933 as amended with respect to such Shares shall then be in effect and the requirements of other applicable state and Federal laws, rules and regulations, including Section 11301 of Title 49 of the United States Code, shall have been complied with or unless the availability of an exemption from registration shall be established to the satisfaction of outside counsel for the Corporation, whose fees shall be paid by the Corporation. In determining the availability of such an exemption such counsel shall take into account the Corporation's obligation hereunder to make available adequate current information concerning the Corporation. The Corporation shall be under no obligation to pay for any registration of such Shares under applicable state and Federal laws, rules and regulations, or otherwise to pay (except for such outside counsel fees) for any steps which might be necessary to accomplish a transfer of such Shares under such laws. Upon the request of any holder of such Shares or part

thereof, the Corporation will make available adequate current information concerning the Corporation to enable such holder to sell such Shares or part thereof (whether or not a sale is then contemplated) in compliance with such Federal and state laws, rules and regulations to the extent such information shall not already be publicly available. In addition, the United States of America (and no other holder) hereby acknowledges and agrees that no such Shares shall be transferred or conveyed except upon twenty (20) days' prior written notice to the Corporation of the terms and conditions of such proposed transfer or conveyance and that, for twenty days after receipt of such notice, the Corporation shall have the right of first refusal to purchase any such Shares to be transferred or conveyed."

(M) Alteration of Rights. So long as any Shares are outstanding, the Corporation shall not without the written consent or affirmative vote of the holders of at least 2/3rds of such Shares, amend, alter or repeal the powers, preferences or special rights of such Shares so as to affect them adversely.

5.2 Series A. The relative rights, preferences, limitations and restrictions of the Redeemable Preference Shares, Series A (the "Series A Shares") which are not otherwise provided for in Section 5.1 hereunder are as follows (terms not otherwise defined under this Section 5.2 shall have the meanings given them in Section 5.1 hereunder):

(A) Dividends.

(1) The holders of Series A Shares shall be entitled to receive fixed preferential annual dividends in cash at the rate of 4.2% on the then outstanding par value thereof payable annually on the anniversary date of the date of issuance thereof commencing on the 11th anniversary in accordance with the payment schedule in Paragraph (C) hereunder (the "Payment Schedule"); provided that for the purpose of this subparagraph "the then outstanding par value" shall be determined for each year as if all scheduled mandatory redemption installments had been paid, whether or not such installments have in fact been paid.

(2) Except in the case of optional redemption of Series A Shares by the Corporation according to the terms prescribed, each Series A Share shall accrue a dividend of 50% of its initial par value commencing on the 10th anniversary date of its original issuance, which accrual shall be payable in accordance with the provisions hereof. If, prior to or upon any liquidation, dissolution or winding up of the Corporation, (a) such Series A Share has become a Subordinated Debt obligation of the Corporation (pursuant to this Amended Certificate of Incorporation or the Agreement), such dividend accrual of 50% or the remaining unpaid portion thereof shall become a vested right to interest to the extent of such unpaid portion, but shall be payable only in accordance with such Agreement and this Amended Certificate of Incorporation, or (b) such Series A Share shall become a fixed interest debt obligation of the Corporation (pursuant to this Amended Certificate of Incorporation or the Agreement), such dividend accrual of 50% or

the remaining unpaid portion thereof, or such vested right to interest or the remaining unpaid portion thereof, shall become an immediate interest accrual to the extent of such unpaid portion, but shall be payable only in accordance with the Agreement and this Amended Certificate of Incorporation.

(3) Except as otherwise provided herein or in the Agreement the total amount of dividends payable on each Series A Share shall not exceed 50% of the initial par value thereof.

(B) Redemption.

(1) Prior to the 11th anniversary date of the date of issuance of any Series A Shares, the Corporation may at its option redeem any number of such Shares at any time at a redemption price of the initial par value of such Shares plus a per Share premium of $203.00 (or such other amount as correlates to the then determined yield to maturity multiplied by 100) multiplied by the number of years (including fractional years as whole years) such Shares were outstanding. If less than all of the outstanding Series A Shares are to be redeemed, the Shares to be redeemed shall be determined by lot or in any other fair and impartial manner normally used to select Shares for redemption or as hereafter provided. If redemption is to be by lot each certificate representing more than one Share shall be assigned a number for each Share represented by such certificate.

(2) On or after the 11th anniversary date of the date of issuance of any Series A Shares, the Corporation may at any time redeem Series A Shares but no less than all such Shares having that same date of issuance, at a redemption price of the then outstanding par value of such Shares and all unpaid cumulated dividends thereon, plus a per Share premium of $203.00 (or such other amount as correlates to the then determined yield to maturity multiplied by 100) multiplied by the number of years (including fractional years as whole years) such Shares were outstanding. If such Shares shall have become contingent or fixed debt, as the case may be, prepayment shall be in an amount computed hereby as if the Shares had not become such.

(3) There shall be credited only against the premium payable on any optionally redeemed Series A Shares (but not against the par value or dividends thereof) the aggregate amount of dividends previously payable and then paid on such optionally redeemed Series A Shares.

(4) Notice of optional redemption of Series A Shares shall be mailed, addressed to the holders of record of the Shares to be redeemed at their respective addresses as they shall appear on the stock books of the Corporation at least 10 days prior to the date fixed for redemption.

(C) Payment Schedule for Series A Shares.

Anniversary Date of Issuance	Dividends Per Share	Redemption Installments Per Share
1980	-	-
1981	-	-
1982	-	-
1983	-	-
1984	-	-
1985	-	-
1986	-	-
1987	-	-
1988	-	-
1989	-	-
1990	-	-
1991	$421.43	$328.57
1992	406.53	343.47
1993	393.20	356.80
1994	378.18	371.82
1995	362.53	387.47
1996	347.30	402.70
1997	329.23	420.72
1998	311.52	438.48
1999	293.06	456.94
2000	273.82	476.18
2001	253.77	496.23
2002	232.87	517.13
2003	211.09	538.91
2004	188.39	561.61
2005	164.73	585.27
2006	140.08	609.92
2007	114.38	635.62
2008	87.60	662.40
2009	59.69	690.31
2010	30.60	719.40

(D) Agreement. Series A Shares shall be subject to and entitled to the benefits of this Amended Certificate of Incorporation and an Agreement. The Agreement gives the holders of a majority of aggregate par value then outstanding of the Series A Shares the rights, upon the happening of certain events of default set forth in the Agreement, to declare the Series A Shares to

be a fixed interest debt obligation of the Corporation and/or to declare an acceleration of redemption payments (or principal payments, as the case may be) to not less than 15 annual payments (including payments already made), with such payments (or further payments) to begin 10 days after declaration thereof (except, if scheduled redemptions have already begun, to continue with the next redemption installment) but not earlier than the 6th anniversary date of the date of the original issuance of Series A Shares and/or to declare an increase in the dividend rate (or interest rate, as the case may be) in the Series A Shares so as to reflect a yield to maturity on the Series A Shares of 2.03% from the date of original issuance to the declaration date and up to 6.68% from the declaration date, which yields shall return to the holder not less than 150% of the aggregate par value of the Shares (but with accrual and payment thereof to commence not earlier than the 10th anniversary date of the date of original issuance of the Series A Shares). Except as otherwise provided, commencing upon each such declaration and until the next declaration each subsequent payment shall be equal in total redemption and dividend (principal and interest) amount. In the event of certain other events of default, including the Corporation's discontinuance of business, making a general assignment for the benefit of creditors, and filing a petition in bankruptcy, the Series A Shares shall automatically become a fixed interest debt obligation of the Corporation and the redemption installments (or principal payments, as the case may be) set forth in the Payment Schedule in this Section shall automatically accelerate to a maximum of 15 annual payments (including payments already made), each subsequent payment to be equal in total principal and interest amount, with such payments (or further payments) to begin immediately upon the occurrence of such event of default (except, if scheduled redemptions have already begun, to continue with the next redemption installment) but not earlier than the 6th anniversary date of the date of original issuance of the Series A Shares, and the dividend rate (or interest rate, as the case may be) on the Series A Shares shall automatically be raised so as to reflect a yield to maturity on the Series A Shares of 2.03% from the date of original issuance to the date of such event of default and 6.68% from the date of such event of default, which yields shall return to the holder not less than 150% of the aggregate par value of the Shares (but with accrual and payment thereof to commence not earlier than the 10th anniversary date of the date of original issuance of the Series A Shares).

Notwithstanding the provisions of this subparagraph, the Series A Shares may become a fixed interest debt obligation only if, when and to the extent they may become a debt obligation without violating any provisions of the laws of the Corporation's state of incorporation. The holders of the Series A Shares and the Corporation agree that in the event of any litigation concerning the question of whether the provisions of the laws of the Corporation's state of incorporation must be met in order that the Series A Shares become a fixed interest debt obligation of the Corporation pursuant to this Amended Certificate of Incorporation and the Agreement, no evidence other than the Agreement and the Series A Shares as to the intent of the parties to the Agreement on such question shall be introduced by the parties to the Agreement. Except as otherwise provided in this Paragraph (D) or the Agreement, upon the Series A Shares becoming a fixed interest debt obligation hereunder, the Payment Schedule in this Section shall represent fixed mandatory interest (at the dividend rate set forth in this Section) and principal payments, and any unpaid cumulated dividend and/or redemption installments (and contingent interest and/or principal

payments, as the case may be), shall respectively become immediately due and payable accrued interest and principal (and any accrued dividends or vested right to interest shall become immediately accrued interest payable in accordance with the Payment Schedule in this Section except as otherwise provided in this Paragraph (D) or the Agreement), and such fixed mandatory interest payments and fixed mandatory principal payments shall be, when due, an absolute and unconditional obligation of the Corporation and shall not be governed by statutory limitations regarding distributions in respect of equity securities, nor by the provisions of Paragraphs (E) and (F) of Section 5.1 hereof.

5.3 Series B. Sections 5.1 and 5.2 herein shall apply to the Redeemable Preference Shares issued to finance the rehabilitation of certain parts of Armourdale Yard, Kansas City, Kansas, only if a court of competent jurisdiction by a final, binding judgment determines that such Redeemable Preference Shares shall be equity instruments in which case they shall be denoted for purposes hereof as "Series B Shares."

The relative rights, preferences, limitations and restrictions of the Series B Shares which are not otherwise provided for in Section 5.1 hereunder are as follows (terms not otherwise defined under this Section 5.3 shall have the meanings given them in Section 5.1 hereunder):

(A) Dividends.

(1) The holders of Series B Shares shall be entitled to receive fixed preferential annual dividends in cash at the rate of 28.454524% on the then outstanding par value thereof payable annually on the anniversary date of the date of issuance commencing upon the date of issuance in accordance with the payment schedule in Paragraph (C) hereunder (the "Payment Schedule"); provided that for the purpose of this subparagraph "the then outstanding par value" shall be determined for each year as if all scheduled mandatory redemption installments had been paid, whether or not such installments have in fact been paid.

(2) Except in the case of optional redemption of Series B Shares by the Corporation according to the terms prescribed, each Series B Share shall accrue a dividend commencing on the 10th anniversary date of its original issuance, which accrual shall be payable in accordance with the provisions hereof. If, prior to or upon any liquidation, dissolution or winding up of the Corporation, (a) such Series B Share has become a Subordinate Debt obligation of the Corporation (pursuant to this Amended Certificate of Incorporation or the Agreement), such dividend accrual thereof shall become a vested right to interest to the extent of such unpaid portion, but shall be payable only in accordance with such Agreement and this Amended Certificate of Incorporation, or (b) such Series B Share shall become a fixed interest debt obligation of the Corporation (pursuant to this Amended Certificate of Incorporation or the Agreement), such dividend accrual or the remaining unpaid portion thereof, or such vested right to interest or the remaining unpaid portion thereof, shall become an immediate interest accrual to the extent of such

unpaid portion, but shall be payable only in accordance with the Agreement and this Amended Certificate of Incorporation.

(B) Redemption.

(1) Prior to the 6th anniversary date of the date of issuance of any Series B Share, the Corporation may, at its option, redeem or cause to be redeemed any number of such Series B Shares at any time, but only at a redemption price of the then outstanding par value of each such Series B Share and all unpaid, accrued dividends thereon to the date of such redemption, plus a per Series B Share premium of four hundred ninety dollars ($490) for each year (including fractional years as whole years) such Series B Shares were outstanding. If less than all of the outstanding Series B Shares are to be redeemed, the Series B Shares to be redeemed shall be determined by lot or in any other fair and impartial manner.

(2) After the 6th anniversary date of the date of issuance of any Series B Share, the Corporation may, at its option, redeem or cause to be redeemed at any time only all such Series B Shares having the same date of issuance, and only at a redemption price equal to the then outstanding par value of each such Series B Share and all unpaid, accrued dividends thereon to the date of such redemption, plus a per Series B Share premium of four hundred ninety ($490) for each year (including fractional years as whole years) such Series B Shares were outstanding.

(3) There shall be credited only against the premium payable on any optionally redeemed Series B Share (but not against the par value or dividends thereof), the aggregate amount of dividends paid on such optionally redeemed Series B Share.

(4) Notice of optional redemption of any Series B Share shall be mailed and addressed to the Administrator in accordance with the manner specified in Section 8.06 of the Series B Share Agreement.

(C) Payment Schedule for Series B Shares.

Period	Par Value	Dividends	Total Payment
1	0	0	0
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	$1,215.50	0	$1,215.50
7	1,215.50	0	1,215.50
8	1,215.50	0	1,215.50
9	1,215.50	0	1,215.50
10	1,215.50	0	1,215.50

11	99.37	$1,116.13	1,215.50
12	127.65	1,087.85	1,215.50
13	163.97	1,051.53	1,215.50
14	210.63	1,004.87	1,215.50
15	270.56	944.94	1,215.50
16	347.55	867.95	1,215.50
17	446.44	769.06	1,215.50
18	573.47	642.03	1,215.50
19	736.65	478.85	1,215.50
20	946.21	269.29	1,215.50
	$10,000.00	$8,232.50	$18,232.50

(D) Agreement. Series B Shares shall be subject to, and entitled to the benefits of an Agreement and this Amended Certificate of Incorporation. The holders of a majority of aggregate par value outstanding of the Series B Shares may upon the happening of certain events of default as set forth in the Agreement declare the Series B Shares to be a fixed interest debt obligation of the Corporation and/or declare an increase in the dividend rate (or interest rate, as the case may be) on the Series B Shares so as to reflect a yield to maturity on the Series B Shares of 4.90% from the date of original issuance to the declaration date and up to 8.72% from the declaration date (but with accrual and payment thereof to commence not earlier than the 10th anniversary date of the date of original issuance of the Series B Shares). Except as otherwise provided, commencing upon each such declaration and until the next declaration each subsequent payment shall be equal in total redemption and dividend (principal and interest) amount. In the event of certain other events of default, including the Corporation's discontinuance of business, making a general assignment for the benefit of creditors, and filing a petition in bankruptcy, the Series B Shares shall automatically become a fixed interest debt obligation of the Corporation and the dividend rate (or interest rate, as the case may be) on the Series B Shares shall automatically be raised so as to reflect as yield to maturity on the Series B Shares of 4.90% from the date of original issuance to the date of such event of default and 8.72% from the date of such event of default (but with accrual and payment thereof to commence not earlier than the 10th anniversary date of the date of original issuance of the Series B Shares).

Notwithstanding the provisions of this subparagraph, the Series B Shares may become a fixed interest debt obligation only if, when and to the extent they may become a debt obligation without violating any provisions of the laws of the Corporation's state of incorporation. The holders of the Series B Shares and the Corporation agree that in the event of any litigation concerning the question of whether the provisions of the laws of the Corporation's state of incorporation must be met in order that the Series B Shares become a fixed interest debt obligation of the Corporation pursuant to this Amended Certificate of Incorporation and the Agreement, no evidence other than the Agreement and the Series B Shares as to the intent of the parties to the Agreement on such question shall be introduced by the parties to the Agreement. Except as otherwise provided in this Paragraph (D) or the Agreement, upon the Series B Shares becoming a

fixed interest debt obligation hereunder, the Payment Schedule in this Section shall represent fixed mandatory interest (at the dividend rate set forth in this Section) and principal payments, and any unpaid cumulated dividend and/or redemption installments (and contingent interest and/or principal payments, as the case may be), shall respectively become immediately due and payable accrued interest and principal (and any accrued dividends or vested right to interest shall become immediately accrued interest payable in accordance with the Payment Schedule in this Section except as otherwise provided in this Paragraph (D) or the Agreement), and such fixed mandatory interest payments and fixed mandatory principal payments shall be, when due, an absolute and unconditional obligation of the Corporation and shall not be governed by statutory limitations regarding distributions in respect of equity securities, nor by the provisions of Paragraphs (E) and (F) of Section 5.1 hereof.

ARTICLE VI – MANAGEMENT PROVISIONS

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and its directors and stockholders:

6.1 By-Laws. The directors of the corporation shall have concurrent power with the stockholders to adopt, alter, amend, change, add to or repeal the By-laws of the Corporation.

6.2 Limitation of Liability of Directors. To the fullest extent permitted by the GCL or any other applicable law as now in effect or as may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. No amendment to or repeal of this Article VI shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any action or failure to act by such director occurring prior to such amendment or repeal.

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Exhibit 5

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	UNION PACIFIC RAILROAD COMPANY
Entity No.:	0585476
Registration Date:	11/17/1969
Entity Type:	Stock Corporation - Out of State - Stock
Formed In:	DELAWARE
Status:	Active

The above referenced entity is active on the Secretary of State's records and is qualified to transact intrastate business in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of October 28, 2024.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 260536416

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at **biz**fileOnline.sos.ca.gov.

Exhibit 6

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number 1-6075

UNION PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

Utah	**13-2626465**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1400 Douglas Street, Omaha, Nebraska	**68179**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(402) 544-5000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol	Name of each exchange on which registered
Common Stock (Par Value $2.50 per share)	**UNP**	**New York Stock Exchange**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
☐ Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☑	Accelerated Filer	☐	Non-Accelerated Filer	☐
Smaller Reporting Company	☐	Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐Yes ☑ No

As of June 28, 2024, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was $137.8 billion.

The number of shares outstanding of the registrant's Common Stock as of January 31, 2025, was 604,286,378.

Documents Incorporated by Reference – Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 8, 2025, are incorporated by reference into Part III of this report. The registrant's Proxy Statement will be filed with the Securities and Exchange Commission (SEC) within 120 days after the end of the fiscal year that this report relates pursuant to Regulation 14A.

UNION PACIFIC CORPORATION
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February 7, 2025

Fellow Shareholders:

The Union Pacific team had a very successful 2024, as we executed our strategy of Safety, Service, and Operational Excellence leading to Growth. The commitment to that strategy enabled the team to achieve strong results across the board and set the Company up for future success. Although success can be measured in many ways, it's ultimately about delivering for our owners, putting our company in a great financial position, and being clear about what success is for our employees, our customers, and the communities where we operate.

In 2024, we reported earnings per diluted share of $11.09, a 6% increase versus 2023. Total volumes increased 3% versus 2023, driven by strength in international intermodal and agricultural products, more than offsetting a 20% decline in coal and the overall impact of a muted industrial economy. We achieved an operating ratio of 59.9%, a 240-basis point improvement versus 2023, driven by the day-to-day actions of our team to improve the efficiency of our network.

This success doesn't just happen. It's rooted in that commitment to our strategy. Within **Safety**, we achieved significant reductions in both our personal injury and derailment rates. We are seeing the results from our investments in training, safety programs, infrastructure, and technology. We cannot and will not waiver on our goal to be the best in safety.

Service is what we sold our customers. Committing to what we can do and doing it with excellence. We built on our success in late 2023 to provide our customers with an even stronger service product throughout 2024. Our full year operating metrics demonstrate that success, as freight car velocity improved 2% and intermodal and manifest service performance index (SPI) improved 2 and 4 points, respectively. We also invested $3.4 billion in capital to harden our infrastructure, grow our business, provide better service, and embed new technologies into our processes. The list is long, but we will reap long-term rewards from investments in the Phoenix Intermodal Terminal, hump yard improvements, siding extensions, application programming interfaces (API), and new gate technologies, to name only a few.

Operational Excellence is about operating efficiently and productively, delivering value with speed. Yet understanding we need a resource buffer so we can provide the service we promised and handle the inevitable ups and downs that come with weather, fluctuating volumes, and securing growth. As evident by the improvements to our operating ratio, we made great strides in 2024 to use our assets more efficiently. However, that wasn't done without challenges that tested our resource buffer. During 2024, we saw international intermodal surge on the west coast, growing over 19% versus 2023. Our ability to handle that volume with minimal impact on the rest of our network demonstrates the effectiveness of our buffer strategy. More specifically on resource productivity, in 2024, we achieved 6% and 5% improvements in workforce and locomotive productivity, respectively. In fact, our performance in workforce productivity for the year was a best ever result.

Our ability to excel in those three areas led to **Growth** in 2024. Operating Revenues grew 1% driven by volume gains and strong core pricing, which more than offset lower fuel surcharge revenues and an unfavorable business mix. When you remove the impact of fuel, our freight revenues grew 4%. Key is that in a muted economic environment, and with a significant decline in our coal volume, we still grew. By executing on our strategy, we are outperforming our markets and positioning ourselves to be ready for even stronger growth when the freight economy improves.

As we turn the page to 2025, the team is focused on what's possible and unlocking the value of the Union Pacific franchise. We are ready to build on these accomplishments to achieve a higher level of success. We understand that we're the current stewards of this amazing, historic company. And it's our responsibility to leave it in a better place than we found it, as those before us had done. We are grateful for that opportunity and ready to succeed. Thank you for your ownership of Union Pacific.

Chief Executive Officer

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

William J. DeLaney
Former Chief Executive Officer - Sysco Corporation
Board Committees: Compensation and Talent (Chair); Safety and Service Quality

David B. Dillon
Former Chairman and CEO - The Kroger Company
Board Committees: Audit (Chair); Corporate Governance, Nominating, and Sustainability

Sheri H. Edison
Former Executive Vice President and General Counsel - Amcor plc
Board Committees: Compensation and Talent; Corporate Governance, Nominating, and Sustainability (Chair)

Teresa M. Finley
Former Chief Marketing and Business Services Officer - United Parcel Service, Inc.
Board Committees: Audit; Finance

Deborah C. Hopkins
Former Chief Executive Officer - Citi Ventures and Former Chief Innovation Officer - Citi
Board Committees: Compensation and Talent; Finance (Chair)

Jane H. Lute
Strategic Advisor - SICPA, North America
Board Committees: Corporate Governance, Nominating, and Sustainability; Safety and Service Quality (Chair)

Michael R. McCarthy
Chairman - Union Pacific Corporation and Union Pacific Railroad Company; Chairman - McCarthy Group, LLC; and Chairman - Bridges Trust Company
Board Committees: Corporate Governance, Nominating, and Sustainability; Finance

Doyle R. Simons
Former President and CEO - Weyerhaeuser Company
Board Committees: Compensation and Talent; Safety and Service Quality

John K. Tien, Jr.
Former Deputy Secretary - U.S. Department of Homeland Security
Board Committees: Audit; Finance

V. James Vena
Chief Executive Officer - Union Pacific Corporation and Union Pacific Railroad Company

John P. Wiehoff
Former Chairman, President, and CEO - C.H. Robinson Worldwide, Inc.
Board Committees: Audit; Safety and Service Quality

Christopher J. Williams
Chairman - Siebert Williams Shank & Co.
Board Committees: Audit; Finance

SENIOR MANAGEMENT

V. James Vena
Chief Executive Officer

Bryan L. Clark
Vice President - Tax

Eric J. Gehringer
Executive Vice President - Operations

Rebecca B. Gregory
Vice President and Chief of Staff

Jennifer L. Hamann
Executive Vice President and Chief Financial Officer

Rahul Jalali
Executive Vice President and Chief Information Officer

Michael V. Miller
Vice President and Treasurer

Joshua K. Perkes
Senior Vice President and Chief Human Resources Officer

Craig V. Richardson
Executive Vice President, Chief Legal Officer, and Corporate Secretary

Kenny G. Rocker
Executive Vice President - Marketing and Sales

Todd M. Rynaski
Senior Vice President and Chief Accounting, Risk, and Compliance Officer

Elizabeth F. Whited
President

PART I

Item 1. Business

GENERAL

Union Pacific Railroad Company is the principal operating company of Union Pacific Corporation. One of America's most recognized companies, Union Pacific Railroad Company connects 23 states in the western two-thirds of the country by rail, providing a critical link in the global supply chain. The Railroad's diversified business mix includes Bulk, Industrial, and Premium. Union Pacific serves many of the fastest-growing U.S. population centers, operates from all major West Coast and Gulf Coast ports to Eastern gateways, connects with Canada's rail systems, and is the only railroad serving all six major Mexico gateways. Union Pacific provides value to its roughly 10,000 customers by delivering products in a safe, reliable, fuel-efficient, and environmentally responsible manner.

Union Pacific Corporation was incorporated in Utah in 1969 and maintains its principal executive offices at 1400 Douglas Street, Omaha, NE 68179. The telephone number at that address is (402) 544-5000. The common stock of Union Pacific Corporation is listed on the New York Stock Exchange (NYSE) under the symbol "UNP".

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "UPC", "Corporation", "Company", "we", "us", and "our" shall mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which we separately refer to as "UPRR" or the "Railroad".

STRATEGY

Safety, Service, and Operational Excellence supports the Company's long-term initiative to Grow its freight volumes. Together as a team, the Company will focus on achieving the best safety record in the industry, being known for superior service, grounded in operational excellence, which, in turn, drives growth.

Safety is paramount and, as our first area of focus, sets the foundation for achieving the Company's objectives. The mindset and culture are built around a personal commitment by all employees to prioritize safety so everyone goes home safely.

Service is all about delivering what we sold our customers. We work with our customers to understand the service they need to win in their markets and then drive how we win together. We commit to these service levels and do it with excellence.

Operational Excellence is about operating efficiently and productively. We will drive value with our available resources but also maintain a buffer so our service is resilient, managing the inevitable ups and downs that come with weather, fluctuating volumes, and securing growth.

Growth is the outcome of executing our strategy to be the industry leader in both safety and service resulting in improved margins and greater cash generation, creating long term enterprise value. The expected outcome of successfully executing our strategy will be an industry leading operating ratio and return on invested capital.

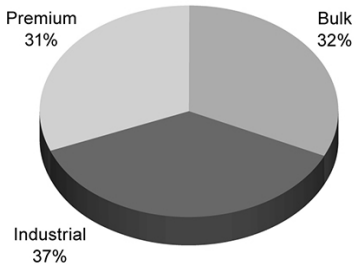
As we work to transform our railroad, our core values continue to guide us. Our passion for performance will help us win; our high ethical standards ensure we win in a way that supports all of our stakeholders; and our teamwork ensures we win together.

OPERATIONS

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network. Additional information regarding our business and operations, including revenues, financial information and data, and other information regarding environmental matters, is presented in Risk Factors, Item 1A; Legal Proceedings, Item 3; Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7; and the Financial Statements and Supplementary Data, Item 8.

Operations – UPRR is a Class I railroad operating in the U.S. We have 32,880 route miles, connecting Pacific Coast and Gulf Coast ports with the Midwest and Eastern U.S. gateways and providing several corridors to key Mexican and Canadian gateways. We serve the western two-thirds of the country and maintain coordinated schedules with other rail carriers to move freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada, and Mexico. Export and import traffic moves through Gulf Coast, Pacific Coast, and East Coast ports and across the Mexican and Canadian borders. In 2024, we generated freight revenues totaling $22.8 billion from the following three commodity groups:

2024 Freight Revenues



Bulk – The Company's Bulk shipments consist of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. In 2024, this group generated 32% of our freight revenues. We access most major grain markets, connecting the Midwest and Western U.S. producing areas to export terminals in the Pacific Northwest and Gulf Coast ports as well as Mexico. We also serve significant domestic markets, including grain processors, animal feeders, ethanol, and renewable biofuel producers in the Midwest and West. Fertilizer movements originate in the Gulf Coast region, Midwest, Western U.S., and Canada (through interline access) for delivery to major agricultural users in those areas as well as abroad. The Railroad's network supports the transportation of coal shipments to independent and regulated power companies and industrial facilities throughout the U.S. Through interchange gateways and ports, UPRR's reach extends to Eastern U.S. utilities as well as to Mexico and other international destinations. Coal traffic originating in the Powder River Basin (PRB) area of Wyoming is the largest portion of the Railroad's coal business.

Industrial – Our extensive network facilitates the movement of numerous commodities between thousands of origin and destination points throughout North America. The Industrial group consists of several categories, including construction, industrial chemicals, plastics, forest products, specialized products (primarily waste, salt, and roofing), metals and ores, petroleum, liquid petroleum gases (LPG), soda ash, and sand. Transportation of these products accounted for 37% of our freight revenues in 2024. Commercial, residential, and governmental infrastructure investments drive shipments of steel, aggregates, cement, and wood products. Industrial and light manufacturing plants receive steel, nonferrous materials, minerals, and other raw materials.

The industrial chemicals market consists of a vast number of chemical compounds that support the manufacturing of more complex chemicals. Plastics shipments support automotive, housing, and the durable and disposable consumer goods markets. Forest product shipments include lumber and paper commodities. Lumber shipments originate primarily in the Pacific Northwest or Western Canada and move throughout the U.S. for use in new home construction and repairs and remodeling. Paper shipments primarily support packaging needs. Oil and gas drilling generates demand for raw steel, finished pipe, stone, and drilling fluid commodities. The Company's petroleum and LPG shipments are primarily impacted by refinery utilization rates, regional crude pricing differentials, pipeline capacity, and the use of asphalt for road programs. Soda ash originates in southwestern Wyoming and California, destined for chemical and glass producing markets in North America and abroad.

Premium – In 2024, Premium shipments generated 31% of Union Pacific's total freight revenues. Premium includes finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. International business consists of import and export traffic moving in 20 or 40-foot shipping containers, that mainly pass through West Coast ports, destined for one of the Company's many inland intermodal terminals. Domestic business includes container and trailer traffic picked up and delivered within North America for intermodal marketing companies (primarily shipper agents and logistics companies) as well as truckload carriers.

We are the largest automotive carrier west of the Mississippi River and operate or access 39 vehicle distribution centers. The Railroad's extensive franchise accesses six vehicle assembly plants and connects to West Coast ports, all six major Mexico gateways, and the Port of Houston to accommodate both import and export shipments. In addition to transporting finished vehicles, the Company provides expedited handling of automotive parts in both boxcars and intermodal containers destined for Mexico, the U.S., and Canada.

Seasonality – Some of the commodities we carry have peak shipping seasons, reflecting either or both the nature of the commodity (such as certain agricultural and food products that have specific growing and harvesting seasons) and the demand cycle for the commodity (such as intermodal traffic that generally peaks during the third quarter to meet back-to-school and holiday-related demand for consumer goods during the fourth quarter). The peak shipping seasons for these commodities can vary considerably each year depending upon various factors, including the strength of domestic and

international economies and currencies; consumer demand; the strength of harvests, which can be adversely affected by severe weather; market prices for agricultural products; and supply chain disruptions.

Proud & Engaged Workforce – Our employees are central to our strategy of Safety, Service, and Operational Excellence leading to Growth, and investing in our workforce is key to our success.

Our People: Our award-winning, multigenerational workforce includes talented people from all walks of life, in many stages of life. Made up of management and craft professionals, we are focused on attracting, retaining, and developing talent across our entire system.

As of December 31, 2024, the Company employed 32,439 employees. Our workforce includes five generations from Traditionalists (born before 1946) to Generation Z (born after 1998). The average age is 46.9 with an average tenure of 16.2 years.

Union Pacific works with 13 major rail unions, representing approximately 84% of our workforce. Pursuant to the Railway Labor Act (RLA), a federal statute enacted in 1926, our collective bargaining agreements are subject to modification every five years. Existing agreements remain in effect until new agreements are ratified or until the RLA procedures are exhausted. The RLA is designed to bring the railroads and unions to agreement without disruptions to rail transportation. Local negotiations began on January 1, 2025, related to years 2025-2029.

Our Culture: At Union Pacific, the How Matters – high ethical standards guide the decisions we make and action we take to protect our employees, communities, and customers. Our passion for performance drives our safety, customer experience, and financial results while we work as a team to create opportunity for all.

Safety is central to everything we do at Union Pacific. Together, we are committed to cultivating a safety-focused culture, so our employees return home safely every day. To achieve this, our employees identify risks, initiate action to mitigate those risks, and have the courage to care to keep each other safe.

Our success is measured by our personal injury rate (the number of reportable injuries for every 200,000 employee-hours worked) and our derailment incident rate (the number of reportable derailment incidents per million train miles). Reportable personal injuries are defined as on duty incidents or occupational illnesses that result in employees losing time away from work, modifying or restricting their normal duties, or receiving any medical treatment above and beyond first aid. Reportable derailment incidents are defined as any occurrence where a wheel of a locomotive or rail car falls off the track and causes damage to track, equipment, or structures above the Federal Railroad Administration (FRA) reporting threshold, regardless of ownership ($12,000 for 2024 and $12,400 for 2025) per million train miles. Personal injuries and derailment incidents that meet reportable criteria are reported to the FRA.

Our 2024 personal injury rate of 0.90 improved 23%, and our derailment incident rate of 2.17 improved 20% versus 2023. (See further discussion in Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 7, of this report.)

Union Pacific is committed to creating an environment where people can be their best, personally and professionally. We believe that a supportive culture increases employee engagement, improves morale, and allows qualified employees to succeed and contribute to Union Pacific's success. All of this supports our safety strategy and improves the quality of decision-making, problem-solving, and strategic thinking.

Union Pacific’s commitment, today and for the future, is to further improve and strengthen performance through our workforce, where everyone is treated fairly, differences are valued, and talent is recognized and rewarded. Union Pacific intends to maintain its standards of hiring and promoting based on merit, while aspiring to reach 40% people of color and double our female representation to 11% in our workforce by 2030. As of December 31, 2024, workforce representation of people of color and females was 34.3% and 5.2%, respectively.

The Employee Journey: From recruitment to retirement and milestones in between, we are relentlessly focused on supporting and engaging employees throughout their Union Pacific journey. We view it as imperative to invest in our employees with meaningful benefit offerings, developmental experiences, and career opportunities.

The process begins with recruitment, where we strive to attract the most talented employees to join our team. Then, we focus on training and development, which includes courses and programs designed to help our employees grow into new roles and/or learn a new skill in their current role so that we can retain our workforce over time.

Providing competitive compensation and meaningful benefits is key to attracting and retaining talented employees. Union Pacific is committed to continuously reviewing its compensation programs and comprehensive benefits programs to promote programs that are fair and competitive. Both are key to enhancing the value of working for Union Pacific and demonstrating the Company's commitment to the health and wealth of employees during their career. Benefits vary based on the applicable collective bargaining agreement or an employee's management status. The final stage of the employee journey is a fulfilling retirement, which is enabled during their Union Pacific career through our compensation and benefit programs, particularly contributions to 401(k) plans and the employee stock purchase plan (ESPP).

Our Board of Directors evaluates our non-union compensation plans and reviews recommendations from the Compensation and Talent Committee, while collective bargaining agreements govern compensation for our union employees. The median annual compensation for all employees employed as of December 31, 2024, was $103,190 (excluding the CEO).

Talent is critical - our ability to recruit and retain employees is directly tied to our railroad's success, as proven by our strong retention rate, our robust offerings, benefits, and work environment that creates meaningful family-supporting careers. We are focused on effectively managing workforce levels to the demands of the business and improving quality of life for our employees.

Railroad Security – Our security efforts consist of a wide variety of measures, including employee training, engagement with our customers, training of emergency responders, and partnerships with numerous federal, state, and local government agencies. While federal law requires us to protect the confidentiality of our security plans designed to safeguard against terrorism and other security incidents, the following provides a general overview of our security initiatives.

UPRR Security Measures – We maintain a comprehensive security plan designed to both deter and respond to any potential or actual threats as they arise. The plan includes four levels of alert status, each with its own set of countermeasures. We employ our own police force, consisting of commissioned and highly-trained officers. The police are certified state law enforcement officers with investigative and arrest powers. The Union Pacific Police Department has achieved accreditation under the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) for complying with the highest law enforcement standards. Our employees undergo recurrent security and preparedness training as well as federally mandated hazardous materials and security training. We regularly review the sufficiency of our employee training programs. We maintain the capability to move critical operations to back-up facilities in different locations.

We operate an emergency response management center 24 hours a day. The center receives reports of emergencies, dangerous or potentially dangerous conditions, and other safety and security issues from our employees, the public, law enforcement, and other government officials. In cooperation with government officials, we monitor both threats and public events, and, as necessary, we may alter rail traffic flow at times of concern to minimize risk to communities and our operations. We comply with the hazardous materials routing rules and other requirements imposed by federal law. We design our operating plan to expedite the movement of Rail Security Sensitive Materials (RSSM), a subset of particularly hazardous materials, to minimize the time rail cars remain idle at yards and terminals located in or near major population centers. Additionally, in compliance with Transportation Security Administration (TSA) regulations, we deployed information systems and instructed employees in tracking and documenting the handoff of RSSM with customers and interchange partners.

We established a number of our own innovative safety and security-oriented initiatives ranging from various investments in technology to The Officer on Train program, which provides local law enforcement officers with the opportunity to ride with train crews to enhance their understanding of railroad operations and risks. Our staff of information security professionals continually assess cybersecurity risks and implement mitigation programs that evolve with the changing technology threat environment. To date, we have not experienced any material disruption of our operations due to a cyber threat or incident directed at us.

Cooperation with Federal, State, and Local Government Agencies – We work closely on physical and cybersecurity initiatives with government agencies, including the U.S. Department of Transportation (DOT); the Federal Bureau of Investigation (FBI); the Department of Homeland Security (DHS), along with its Cybersecurity and Infrastructure Security Agency (CISA), and the TSA; as well as local police departments, fire departments, and other first responders.

In compliance with TSA regulations established in 2022, we designated a Cybersecurity Coordinator to oversee our cybersecurity initiatives and report required incidents to the CISA. We communicated our Cybersecurity Incident Response Plan and conducted a Cybersecurity Vulnerability Assessment to identify potential risks. Our Cybersecurity Implementation Plan outlines the specific actions taken to meet the TSA prevention, detection, and response requirements. Additionally, an ongoing assessment program has been implemented to proactively and regularly evaluate the effectiveness of our cybersecurity program to identify and mitigate emerging risks. These efforts have been validated by the TSA, confirming our adherence to their standards.

In conjunction with the Association of American Railroads (AAR), we sponsor Ask Rail, a mobile application that provides first responders with secure links to electronic information, including commodity and emergency response information required by emergency personnel to respond to accidents and other situations. We also participate in the National Joint Terrorism Task Force, a multi-agency effort established by the U.S. Department of Justice and the FBI to combat and prevent terrorism.

We work with the Coast Guard, U.S. Customs and Border Protection (CBP), and the Military Transport Management Command, which monitor shipments entering the UPRR rail network at U.S. border crossings and ports. We were the first railroad in the U.S. to be named a partner in CBP's Customs-Trade Partnership Against Terrorism, a partnership designed to develop, enhance, and maintain effective security processes throughout the global supply chain.

Cooperation with Customers and Trade Associations – Through TransCAER (Transportation Community Awareness and Emergency Response), we work with the AAR, the American Chemistry Council, the American Petroleum Institute, and other chemical trade groups to provide communities with preparedness tools, including the training of emergency responders. In cooperation with the FRA and other interested groups, we are also working to develop additional improvements to tank car design that will further limit the risk of releases of hazardous materials.

Sustainable Future – Union Pacific believes it is important that we act as environmental stewards, reducing greenhouse gas (GHG) emissions and supporting the transition to a more sustainable future. While we work to further reduce our environmental footprint, it is important to note that railroads already are one of the most fuel-efficient means of transportation. Freight rail leads other forms of surface transportation when it comes to minimizing GHG emissions, and we expect rail will continue to play a critical role in mitigating and abating the impacts of climate change. According to the AAR, moving freight by rail instead of truck reduces GHG emissions by up to 75%. Therefore, converting freight transportation from truck to rail typically results in an immediate reduction in our customers' scope 3 GHG emissions.

Competition – see "*We Face Competition from Other Railroads and Other Transportation Providers*" in the Risk Factors in Item 1A of this report.

Key Suppliers – see "*We Are Dependent on Certain Key Suppliers of Locomotives and Rail*" in the Risk Factors in Item 1A of this report.

Available Information – Our Internet website is www.up.com. We make available free of charge on our website (under the "Investors" caption link) our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our current reports on Form 8-K; our proxy statements; Forms 3, 4, and 5, filed on behalf of our directors and certain executive officers; and amendments to such reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). We provide these reports and statements as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. We also make available on our website previously filed SEC reports and exhibits via a link to EDGAR on the SEC's Internet site at www.sec.gov. Additionally, our corporate governance materials, including By-Laws, Board Committee charters, governance guidelines and policies, and codes of conduct and ethics for directors, officers, and employees are available on our website. From time to time, the corporate governance materials on our website may be updated as necessary to comply with rules issued by the SEC and the NYSE or as desirable to promote the effective and efficient governance of our Company. Any security holder wishing to receive, without charge, a copy of any of our SEC filings or corporate governance materials should send a written request to: Secretary, Union Pacific Corporation, 1400 Douglas Street, Omaha, NE 68179.

References to our website address, in this report, including references in Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7, are provided as a convenience and do not constitute, and should not be deemed, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

GOVERNMENTAL AND ENVIRONMENTAL REGULATION

Governmental Regulation – Our operations are subject to a variety of federal, state, and local regulations, generally applicable to all businesses. (See also the discussion of certain regulatory proceedings in Legal Proceedings, Item 3.)

The operations of the Railroad are subject to the regulations of the FRA and other federal and state agencies as well as the regulatory jurisdiction of the Surface Transportation Board (STB). The STB has jurisdiction over rates charged on certain regulated rail traffic; common carrier service of regulated traffic; freight car compensation; transfer, extension, or abandonment of rail lines; and acquisition of control of rail common carriers. The STB is reviewing proposed rulemaking in various areas, including reciprocal switching and commodity exemptions, and has finalized rules creating new procedures for smaller rate complaints that are being reviewed in appellate courts. The STB also continues to explore changes to the methodology for determining railroad revenue adequacy, the possible uses of revenue adequacy in regulating railroad rates,

and ways to regulate service, including by use of emergency service orders. The STB posts quarterly reports on rate reasonableness cases, maintains a database on service complaints, and has the authority to initiate investigations, among other things.

The DOT, the Occupational Safety and Health Administration, the Pipeline and Hazardous Materials Safety Administration, and the DHS, along with other federal agencies, have jurisdiction over certain aspects of safety, movement of hazardous materials and hazardous waste, emissions requirements, and equipment standards. Additionally, various state and local agencies have jurisdiction over disposal of hazardous waste and seek to regulate movement of hazardous materials in ways not preempted by federal law.

Environmental Regulation – We are subject to extensive federal and state environmental statutes and regulations pertaining to public health and the environment. The statutes and regulations are administered and monitored by the Environmental Protection Agency (EPA) and by various state environmental agencies, such as the California Air Resources Board (CARB) and the Texas Commission on Environmental Quality (TCEQ), among others. The primary laws affecting our operations are the Resource Conservation and Recovery Act, regulating the management and disposal of solid and hazardous wastes; the Comprehensive Environmental Response, Compensation, and Liability Act, regulating the cleanup of contaminated properties; the Clean Air Act, regulating air emissions; and the Clean Water Act, regulating wastewater discharges.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Environmental, Item 7, and Note 17 to the Financial Statements and Supplementary Data, Item 8.

Item 1A. Risk Factors

The following discussion addresses significant factors, events, and uncertainties that make an investment in our securities risky and provides important information for the understanding of our "forward-looking statements," which are discussed immediately preceding Item 7A of this Form 10-K and elsewhere. The risk factors set forth in this Item 1A should be read in conjunction with the rest of the information included in this report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 7, and Financial Statements and Supplementary Data, Item 8.

We urge you to consider carefully the factors described below and the risks that they present for our operations as well as the risks addressed in other reports and materials that we file with the SEC and the other information included or incorporated by reference in this Form 10-K. When the factors, events, and contingencies described below or elsewhere in this Form 10-K materialize, our business, reputation, financial condition, results of operations, cash flows, or prospects can be materially adversely affected. In such case, the trading price of our common stock could decline, and you could lose part or all of your investment. Some of the factors, events, and contingencies discussed below may have occurred in the past, and the disclosures below are not representations as to whether or not the factors, events, or contingencies have occurred in the past, but are provided because future occurrences of such factors, events, or contingencies could have a material adverse effect. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our business, reputation, financial condition, results of operations, cash flows, and prospects.

Strategic and Operational Risks

We Must Manage Fluctuating Demand for Our Services and Network Capacity – Significant reductions in demand for rail services with respect to one or more commodities or changes in consumer preferences that affect the businesses of our customers can lead to increased costs associated with resizing our operations, including higher unit operating costs and costs for the storage of locomotives, rail cars, and other equipment; workforce adjustments; and other related activities, which could have a material adverse effect on our results of operations, financial condition, and liquidity. If there is significant demand for our services that exceeds the designed capacity of our network or shifts in traffic flow that are contrary to the designed capacity of our network, we can experience challenges, including congestion and reduced velocity, that could compromise the level of service we provide to our customers. This level of demand also can compound the impact of weather and weather-related events on our operations and velocity. We cannot be sure that our efforts to improve our transportation plan, add capacity, improve operations at our yards and other facilities, and improve our ability to address surges in demand for any reason by carrying a resource buffer will fully or adequately address any service shortcomings resulting from demand exceeding our planned capacity. From time to time we also experience other operational or service challenges related to network capacity, dramatic and unplanned fluctuations in our customers' demand for rail service with respect to one or more commodities or operating regions, or other events that could negatively impact our operational efficiency, any or all of which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Transport Hazardous Materials – We transport certain hazardous materials and other materials, including crude oil, ethanol, and toxic inhalation hazard (TIH) materials, such as chlorine, that pose certain risks in the event of a release or combustion. Additionally, U.S. laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. An accident or other incident on our network, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials can involve significant costs and claims for personal injury, property damage, and environmental penalties and remediation in excess of our insurance coverage for these risks, which could harm our reputation or have a material adverse effect on our results of operations, financial condition, and liquidity.

We Rely on Technology and Technology Improvements in Our Business Operations – We rely on information technology in all aspects of our business, including technology systems operated by us (whether created by us or purchased), under control of third parties, and open-source software. If we do not have sufficient capital or do not deploy sufficient capital in a timely manner to acquire, develop, or implement new technology or maintain or upgrade current systems, such as Positive Train Control (PTC) or the latest version of our transportation control systems, we may suffer a rail service outage or competitive disadvantage within the rail industry and with companies providing other modes of transportation service, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Are Subject to Cybersecurity Risks – We rely on information technology in all aspects of our business, including technology systems operated by us (whether created by us or purchased), under control of third parties, and open-source software. We have experienced and will likely continue to experience varying degrees of cyber incidents in the normal course of business. There can be no assurance that the resources we devote to protect our technology systems and proprietary data or the systems we have designed to identify, prevent, or limit the effects of cyber incidents will be sufficient to prevent or detect such incidents, or to avoid a material adverse impact on our systems after such incidents do occur. Furthermore, due to the rising numbers and increasing sophistication of cyber-attacks, an increasingly complex information technology supply chain, and the nature of zero-day exploits, we may be unable to anticipate or implement adequate measures to prevent a security breach, including by ransomware or as a result of human error or other cyber-attack methods, from materially affecting our systems or the systems of third-parties upon which we rely. The rapid evolution and increased availability of artificial intelligence may intensify cybersecurity risks by making cyber-attacks more sophisticated and cybersecurity incidents more difficult to detect, contain, and mitigate. A cyber incident that results in significant service interruption; safety failure; other operational difficulties; unauthorized access to (or the loss of access to) competitively sensitive, confidential, or other critical data or systems; loss of customers; financial losses; regulatory fines; reputational harm; or misuse or corruption of critical data and proprietary information, could have a material adverse impact on our results of operations, financial condition, and liquidity. We may experience security breaches that could remain undetected for an extended period and, therefore, have a greater impact on us. Additionally, we may be exposed to increased cybersecurity risk because we are a component of the critical U.S. infrastructure.

Severe Weather and Natural Events Could Result in Significant Business Interruptions and Expenditures – As a railroad with a vast network, we are exposed to severe weather conditions and other natural phenomena, including earthquakes, hurricanes, fires, floods, mudslides or landslides, extreme temperatures, avalanches, and significant precipitation, and climate change may cause or contribute to the severity or frequency of such weather conditions. Line outages and other interruptions caused by these conditions have in the past and could in the future adversely affect parts or all of our rail network, potentially negatively affecting revenues, costs, and liabilities, despite efforts we undertake to plan for these events. Our revenues can also be adversely affected by severe weather that causes damage and disruptions to our customers. These impacts caused by severe weather or other natural phenomena could have a material adverse effect on our results of operations, financial condition, and liquidity.

A Significant Portion of Our Revenues Involves Transportation of Commodities to and from International Markets – Although revenues from our operations are attributable to transportation services provided in the U.S., a significant portion of our revenues involves the transportation of commodities to and from international markets, including Mexico, Canada, and Southeast Asia, by various carriers and, at times, various modes of transportation. Significant and sustained interruptions of trade with Mexico, Canada, or countries in Southeast Asia, including China, could adversely affect customers and other entities that, directly or indirectly, purchase or rely on rail transportation services in the U.S. as part of their operations, and any such interruptions, including international armed conflicts such as the Russia-Ukraine and Israel-Hamas wars, could have a material adverse effect on our results of operations, financial condition, and liquidity. Any one or more of the following could cause a significant and sustained interruption of trade with Mexico, Canada, or countries in Southeast Asia: (a) a deterioration of security for international trade and businesses; (b) the adverse impact of new laws, rules, and regulations or the interpretation or enforcement of laws, rules, and regulations by government entities, courts, or regulatory bodies, including the United States-Mexico-Canada Agreement (USMCA) or other international trade agreements; (c) actions of taxing authorities that affect our customers doing business in or with foreign countries; (d) any significant adverse economic developments, such as extended periods of high inflation, material disruptions in the banking sector or in the capital markets of these foreign countries, and significant changes in the valuation of the currencies of these foreign countries that could

materially affect the cost or value of imports or exports; (e) shifts in patterns of international trade, including as a result of changes to international trade agreements or policies, that adversely affect import and export markets; (f) a material reduction in foreign direct investment in these countries; and (g) public health crises, including the outbreak of pandemic or contagious disease, such as the coronavirus and its variant strains (COVID). An imposition of tariffs on imports or other changes to U.S. trade policy could cause demand for shipping from international markets to decrease, and if the declines are significant enough, it could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Are Dependent on Certain Key Suppliers of Locomotives and Rail – Due to the capital-intensive nature and sophistication of locomotive equipment, parts, and maintenance, potential new suppliers face high barriers to entry. Therefore, if one of the domestic suppliers of locomotives discontinues manufacturing locomotives, supplying parts, or providing maintenance for any reason, including bankruptcy or insolvency or the inability to manufacture locomotives that meet efficiency or regulatory emissions standards, we could experience significant cost increases and reduced availability of the locomotives that are necessary for our operations. Additionally, we utilize a limited number of steel producers that meet our specifications. Rail is critical to our operations for rail replacement programs, maintenance, and for adding additional network capacity, new rail and storage yards, and expansions of existing facilities. This industry similarly has high barriers to entry, and if there is any significant consolidations or mergers in this industry, or one of these suppliers discontinues operations for any reason, including bankruptcy or insolvency, we could experience both significant cost increases for rail purchases and difficulty obtaining sufficient rail for maintenance and other projects. Changes to trade agreements or policies that result in increased tariffs on goods imported into the United States could also result in significant cost increases for rail purchases and difficulty obtaining sufficient rail.

Workforce Risks

Strikes or Work Stoppages Could Adversely Affect Our Operations – The U.S. Class I railroads are party to collective bargaining agreements with various labor unions. The majority of our employees belong to labor unions and are subject to these agreements. Disputes over the terms of these or future agreements or the terms of such agreements, or our potential inability to negotiate acceptable contracts with these unions or the renegotiation of them or their term can lead to, among other things, strikes, work stoppages, slowdowns, or lockouts, any or all of which could compromise our service reliability or cause a significant disruption of our operations, and could increase our costs for wages, health care, and other benefits, which could have a material adverse effect on our results of operations, financial condition, and liquidity. Labor disputes, work stoppages, slowdowns, or lockouts at loading/unloading facilities, ports, or other transport access points, or by employees of our customers or our suppliers, could compromise our service reliability and have a material adverse impact on our results of operations, financial condition, and liquidity.

The Availability of Qualified Personnel Could Adversely Affect Our Operations – Changes in demographics, training requirements, and pandemic illnesses or restrictions could negatively affect the availability of qualified personnel for us, our customers, and throughout the supply chain. Our ability to quickly react to other factors that affect our ability to attract and retain employees may be restricted due to limited flexibility to make unilateral changes to collective bargaining agreements, which cover the majority of our workforce. Unpredictable increases in demand for rail services and a lack of network fluidity may exacerbate our risks related to having insufficient qualified personnel, which could have a negative impact on our operational efficiency and otherwise have a material adverse effect on our results of operations, financial condition, and liquidity.

Legal and Regulatory Risks

We Are Subject to Significant Governmental Regulation – We are subject to governmental regulation by a significant number of federal, state, and local authorities covering a variety of health, safety, labor, employment, environmental, economic (as discussed below), tax, social, and other matters. Many laws and regulations require us to obtain and maintain various licenses, permits, and other authorizations, and we cannot guarantee that we will continue to be able to do so. Our failure to comply with applicable laws and regulations could have a material adverse effect on us as a result of litigation or proceedings by private parties, governments, or regulators, including and in addition to those described in Note 17 to the Consolidated Financial Statements entitled "Commitments and Contingencies." Governments or regulators may change the legislative or regulatory frameworks that we operate in without providing us any recourse to address any adverse effects on our business, including, without limitation, regulatory determinations or rules regarding dispute resolution, increasing the amount of our traffic subject to common carrier regulation, business relationships with other railroads, use of embargoes, calculation of our cost of capital or other inputs relevant to computing our revenue adequacy, the prices we charge, changes in tax rates, enactment of new tax laws or tariffs, and revision in tax regulations. Significant legislative activity in Congress or regulatory activity by other government branches or agencies, such as the STB, could expand regulation of railroad operations and pricing for rail services, which could reduce the viability of capital spending on our rail network, facilities, and equipment, and have a material adverse effect on our results of operations, financial condition, and liquidity.

We May Be Subject to Various Claims and Lawsuits That Could Result in Significant Expenditures – As a railroad with operations in densely populated urban areas and a vast rail network, we are exposed to the potential for various claims and litigation related to labor and employment, personal injury, property damage, environmental liability, and other matters. Any material changes to litigation trends or a catastrophic rail accident or series of accidents involving any or all of property damage, personal injury, and environmental liability that exceed our insurance coverage for such risks could have a material adverse effect on our results of operations, financial condition, and liquidity. In addition, some of these matters could impact the cost of obtaining, or availability in general, of insurance coverage meant to cover these types of risks.

We Are Subject to Significant Environmental Laws and Regulations – Due to the nature of the railroad business, our operations are subject to extensive federal, state, and local environmental laws and regulations concerning, among other things, emissions to the air; discharges to waters; handling, storage, transportation, and disposal of waste and other materials; and hazardous material or petroleum releases. We generate and transport hazardous and non-hazardous waste in our operations. Environmental liability can extend to previously owned or operated properties, leased properties, properties owned by third parties, as well as properties we currently own. Environmental liabilities also have arisen and may arise from claims asserted by adjacent landowners or other third parties in toxic tort litigation. We have been and may be subject to allegations or findings that we have violated, or are strictly liable under, these laws or regulations. We currently have certain obligations at existing sites for investigation, remediation, and monitoring, and we likely will have obligations at other sites in the future. We believe we maintain adequate estimated liabilities for these obligations, but fluctuations of potential costs affect our estimates based on our experience and, as necessary, the advice and assistance of our consultants. However, actual costs may vary from our estimates due to a variety of factors, including changes to environmental laws or interpretations of such laws, technological changes affecting investigations and remediation, the participation and financial viability of other parties responsible for any such liability, and the corrective action or change to corrective actions required to remediate any existing or future sites. We could incur significant costs as a result of any of the foregoing, and we may be required to incur significant expenses to investigate and remediate known, unknown, or future environmental contamination, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Macroeconomic and Industry Risks

We Face Competition from Other Railroads and Other Transportation Providers – We face competition from other railroads, motor carriers, ships, barges, and pipelines. Our main railroad competitor is Burlington Northern Santa Fe LLC. Its primary subsidiary, BNSF Railway Company (BNSF), operates parallel routes in many of our main traffic corridors. In addition, we operate in corridors served by other railroads and motor carriers. Motor carrier competition exists in all three of our commodity groups. Because of the proximity of our routes to major inland and Gulf Coast waterways, barges can be particularly competitive, especially for grain and bulk commodities in certain areas where we operate. In addition to price competition, we face competition with respect to transit times, quality, and reliability of service from motor carriers and other railroads. Motor carriers in particular can have an advantage over railroads with respect to transit times and timeliness of service. Additionally, we must build or acquire and maintain our rail system, while trucks, barges, and maritime operators are able to use public rights-of-way maintained by public entities. Any of the following could also affect the competitiveness of our transportation services for some or all of our commodities, which could have a material adverse effect on our results of operations, financial condition, and liquidity: (a) improvements or expenditures materially increasing the quality or reducing the costs of these alternative modes of transportation, such as autonomous or more fuel efficient trucks, (b) legislation that eliminates or significantly increases the existing size or weight limitations applied to motor carriers, or (c) legislation or regulatory changes that impose operating restrictions or requirements on railroads or that adversely affect the profitability of some or all railroad traffic. Many movements face product or geographic competition where our customers can use different products (e.g., natural gas instead of coal, sorghum instead of corn) or commodities from different locations (e.g., grain from states or countries that we do not serve, crude oil from different regions). Sourcing different commodities or different locations allows shippers to substitute different carriers, and such competition may reduce our volumes or constrain prices. Additionally, any future consolidation of the rail industry could materially affect our competitive environment.

We May Be Affected by Climate Change and Market or Regulatory Responses to Climate Change – Climate change, including the impact of global warming and transition risks involving policy, legal risks, and market risks, could have a material adverse effect on our results of operations, financial condition, and liquidity on both a long-term and near-term basis. Restrictions, caps, taxes, or other controls on emissions of GHGs, including diesel exhaust, could significantly increase our operating costs. Restrictions on emissions could also affect our customers that (a) use commodities that we carry to produce energy, (b) use significant amounts of energy in producing or delivering the commodities we carry, or (c) manufacture or produce goods that consume significant amounts of energy or burn fossil fuels, including chemical producers, farmers and food producers, and automakers and other manufacturers. Significant cost increases, government regulation, or changes of consumer preferences for goods or services relating to alternative sources of energy, emissions reductions, and GHG emissions can materially affect the markets for the commodities we carry and demand for our services, which in turn could have a material adverse effect on our results of operations, financial condition, and liquidity. Government incentives

encouraging the use of alternative sources of energy also can affect certain of our customers and the markets for certain of the commodities we carry in a manner that could unpredictably alter our traffic patterns or reduce demand.

Compliance with laws or regulations related to climate change, along with defending and resolving legal claims and other litigation, could have a material adverse effect on our results of operations, financial condition, and liquidity. Climate change may cause severe weather conditions and other natural phenomena, including earthquakes, hurricanes, fires, floods, mudslides or landslides, extreme temperatures, avalanches, and significant precipitation. Severe weather conditions and other natural phenomena has in the past and could in the future cause line outages and other interruptions to our infrastructure. Any of these factors, individually or in operation with one or more of the other factors, or other unpredictable impacts of climate change could reduce the amount of traffic we handle and have a material adverse effect on our results of operations, financial condition, and liquidity.

Our efforts to achieve emission reduction targets or aspirations could significantly increase our operational costs and capital expenditures. In addition, stakeholder expectations regarding some of these matters may be evolving and there may be differing views among stakeholders, which could harm our reputation or increase our costs. Our ability to meet such targets or aspirations can depend on significant technological advancements, including, for example, suitable alternative fuels and zero-emissions locomotives, and when such technological advancements will take place, if at all, and whether they will be readily available on commercially reasonable terms is currently unknown. There can be no assurances we will achieve our emission reduction targets or aspirations, or that the associated costs will not be higher than expected, or that the regulatory landscape will not have a negative impact on our results of operations, financial condition, and liquidity. Government mandates may lead to the premature adoption of unproven and unreliable technology, which could negatively affect operational reliability, customer service and supply chain continuity.

Our Business, Financial Condition, and Results of Operations Have Been Adversely Affected, and in The Future, Could Be Materially Adversely Affected by Pandemics or Other Public Health Crises – Pandemics, epidemics, and other outbreaks of disease can have significant and widespread impacts. As we saw during the peaks of the COVID pandemic, outbreaks of disease can cause a global slowdown of economic activity (including the decrease in demand for a broad variety of goods), disruptions in global supply chains, and significant volatility and disruption of financial markets, resulting further in adverse effects on workforces, customers, and regional and local economies. The impact of pandemics or public health crises on our results of operations and financial condition will depend on numerous evolving factors, including, but not limited to: governmental, business, and individuals' actions taken in response to a global pandemic or other public health crises (including restrictions on travel and transport, workforce pressures, social distancing, and shelter-in-place orders); the effect of a pandemic or other public health crises on economic activity and actions taken in response; the effect on our customers and their demand for our services; the effect of a pandemic or other public health crises on the credit-worthiness of our customers; national or global supply chain challenges or disruptions; facility closures; commodity cost volatility; general macroeconomic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery as the pandemic subsides as well as response to a potential reoccurrence. Further, a pandemic or other public health crises, and the volatile regional and global economic conditions stemming from such an event, could also precipitate and aggravate the other risk factors that we identify, which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability), and/or stock price. Additionally, a pandemic or other public health crises also may affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations.

Financial Risks

We Are Affected by Fluctuating Fuel Prices – Fuel costs constitute a significant portion of our transportation expenses. Diesel fuel prices can be subject to dramatic fluctuations, and significant price increases could have a material adverse effect on our operating results. Although we currently are able to recover a significant amount of our fuel expenses from our customers through revenues from fuel surcharges, we cannot be certain that we will always be able to mitigate rising or elevated fuel costs through our fuel surcharges. Additionally, future market conditions or legislative or regulatory activities could adversely affect our ability to apply fuel surcharges or adequately recover increased fuel costs through fuel surcharges. As fuel prices fluctuate, our fuel surcharge programs trail such fluctuations in fuel prices by approximately two months and are from time-to-time a significant source of quarter-over-quarter and year-over-year volatility, particularly in periods of rapidly changing prices. International, political, and economic factors, events and conditions, including international armed conflicts such as the Russia-Ukraine and Israel-Hamas wars, and other geopolitical tensions in the Middle East, affect the volatility of fuel prices and supplies. Weather can also affect fuel supplies and limit domestic refining capacity. A severe shortage of, or disruption to, domestic fuel supplies could have a material adverse effect on our results of operations, financial condition, and liquidity. Alternatively, lower fuel prices could have a negative impact on certain commodities we transport, such as coal and domestic drilling-related shipments, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We Rely on Capital Markets – Due to the significant capital expenditures required to operate and maintain a safe and efficient railroad, we rely on the capital markets to provide some of our capital requirements. We utilize long-term debt instruments, bank financing, and commercial paper, and we pledge certain amount of our receivables as collateral for credit. Significant instability or disruptions of the capital markets, including, among other things, elevated interest rates in the credit markets and/or changes in interest rates, or deterioration of our financial condition due to internal or external factors could restrict or prohibit our access to, and significantly increase the cost of, commercial paper and other financing sources, including bank credit facilities and the issuance of long-term debt, including corporate bonds, and could also have a material adverse effect on our results of operations, financial condition, and liquidity. A significant deterioration of our financial condition could result in a reduction of our credit rating to below investment grade, which could restrict us from utilizing our current receivables securitization facility (Receivables Facility). These developments also could limit our access to external sources of capital and significantly increase the costs of short and long-term debt financing, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

General Risk Factors

We Are Affected by General Economic Conditions – Prolonged, severe adverse domestic and global macroeconomic conditions or disruptions of financial and credit markets, including, for example, the cycles of recessionary fears, inflationary pressures, changes in interest rates, and/or related monetary policy actions by governments in response to inflation, may affect the producers and consumers of the commodities we carry and may have a material adverse effect on our access to liquidity, results of operations, and financial condition.

We May Be Affected by Acts of Terrorism, War, or Risk of War – Our rail lines, facilities, and equipment, including rail cars carrying hazardous materials, could be direct targets or indirect casualties of terrorist attacks. Terrorist attacks, or other similar events, any government response thereto, and war or risk of war may adversely affect our results of operations, financial condition, and liquidity. In addition, insurance premiums for some or all of our current coverages could increase dramatically, or certain coverages may not be available to us in the future. Also, in the event of a national crisis or emergency, one or more government entities could take actions (such as via the U.S. Defense Production Act or the International Emergency Economic Powers Act) that could diminish our rights or economic opportunities with respect to the transportation services we offer.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company is subject to cybersecurity threats that could have a material adverse impact on our results of operations, financial condition, and liquidity. See also our discussion in the Risk Factors in Item 1A of this report. As a component of our Company-wide enterprise risk management framework, we implemented a cybersecurity program whose objective is to assess, identify, and manage risks from cybersecurity threats that may result in adverse effects on the confidentiality, integrity, and availability of the electronic information systems that we own. We regularly perform internal security assessments, engage third-party consultants to conduct external security assessments, and participate in, conduct, and/or administer exercises, drills, and recovery tests as part of this program. We also maintain training programs and policies and procedures designed to safeguard employee handling and use of data, internet usage, controlled access measures, and physical protections. We consult with industry groups, monitor threat intelligence reports, and communicate with various government agencies in an effort to stay up-to-date on changes in the cybersecurity threat landscape. This program, in addition to addressing our own information systems, is also designed to oversee, identify, and reduce the potential impact of a security incident at a third-party service provider or that otherwise impacts third-party technology and systems we use.

Internal Cybersecurity Team

The Company's internal information security organization (Internal Cybersecurity Team), led by our Executive Vice President and Chief Information Officer (CIO) as well as the Assistant Vice President and Chief Information Security Officer (CISO), is responsible for coordinating all aspects of the Company's electronic information security systems, including prevention, detection, mitigation, and remediation of cybersecurity incidents, as well as implementing, monitoring, and maintaining our enterprise-wide security strategy, standards, architecture, policies, and processes. Our CIO reports directly to our Chief Executive Officer, our CISO reports to our CIO, and reporting to our CISO are our Deputy Chief Information Security Officer (Deputy CISO) and other experienced information security personnel responsible for various parts of our business. In addition to our internal cybersecurity capabilities, we also periodically engage assessors, consultants, auditors, and other third parties

to assist with assessing, identifying, and managing cybersecurity risks. When the Company learns of a cybersecurity incident at a third-party service provider, the Company's respective department contacts maintain communication with the third-party service provider and communicate any cybersecurity incidents to the CISO.

Security Policy and Requirements

As part of the Company's Crisis Management Plan, the Company's cybersecurity Incident Response Plan (the IRP) provides a framework for responding to cybersecurity incidents. The IRP sets out a coordinated approach to discovering, investigating, containing, tracking, mitigating, and remediating cybersecurity incidents, including a framework for elevating and reporting findings and keeping senior management and other key stakeholders informed and involved, based on assessments regarding the scope or significance of incidents. The IRP applies to the Company's extended computing environment, including electronic information resources that are owned or used by the Company and are routinely relied on to support our operations.

The Internal Cybersecurity Team has robust processes and redundancies in place designed with the objective of deterring, detecting, mitigating, and responding to potential cybersecurity threats, which includes a vulnerability assessment, prioritization, and remediation program. The Internal Cybersecurity Team also performs regular system penetration testing to validate our security controls and assess our infrastructure and applications. All management employees take mandatory security awareness training on the Company's data security policies and procedures, which is supplemented by Company-wide testing initiatives, including periodic phishing tests.

Our information security program is designed to align our defenses and resources to identify, assess, and address more likely and more damaging cyber events, to provide support for our organizational mission and operational objectives, and to position us to deter, detect, mitigate, and respond to a wide variety of potential attacks in a timely fashion. Our information security program employs quantitative and qualitative approaches to evaluate the effectiveness of controls and assess the resiliency of critical computing resources. This data is combined with knowledge of common attack techniques to assess the likelihood of components being compromised and assess potential financial implications under different scenarios. The results are used to help identify potentially material risks and provide insights which are taken into account when prioritizing our security initiatives.

Material Cybersecurity Risks, Threats, and Incidents

Due to the evolving nature of cybersecurity threats, it has and will continue to be difficult to prevent, detect, mitigate, and remediate cybersecurity incidents. While we are not aware of having experienced any material effects or reasonably likely material effects on our Company, its business strategy, results of operations, or financial condition resulting from cybersecurity threats or incidents to date, as a critical infrastructure provider, we may be a target of well-funded and sophisticated adverse actors. There can be no guarantee that we will not be the subject of future risks or incidents that have such an effect, or that we are not currently the subject of an undetected risk or incident that may have such an effect.

We also rely on information technology and third-party vendors to support our operations, including our secure processing of personal, confidential, sensitive, proprietary, and other types of information. Despite ongoing efforts to continue improvement of our and our vendors' ability to protect against cyber incidents, we may not be able to protect all of the information systems we use. Incidents may lead to reputational harm, revenue and client loss, legal actions, or statutory penalties, among other consequences. For a more detailed discussion of these risks, see our discussion in the Risk Factors in Item 1A of this report.

Governance

The Board of Directors has delegated primary oversight of the Company's cybersecurity risk to the Audit Committee, which receives updates on cybersecurity risks, risk mitigation initiatives, and incidents at each regularly scheduled Audit Committee meeting from the CIO, CISO, and other members of management, as needed. When making decisions regarding director appointments and committee assignments, the Board of Directors takes into consideration the cybersecurity experience of directors and director candidates and strives to maintain cybersecurity expertise on the Board of Directors and Audit Committee. We have protocols by which certain cybersecurity incidents are reported to the Audit Committee and Board of Directors.

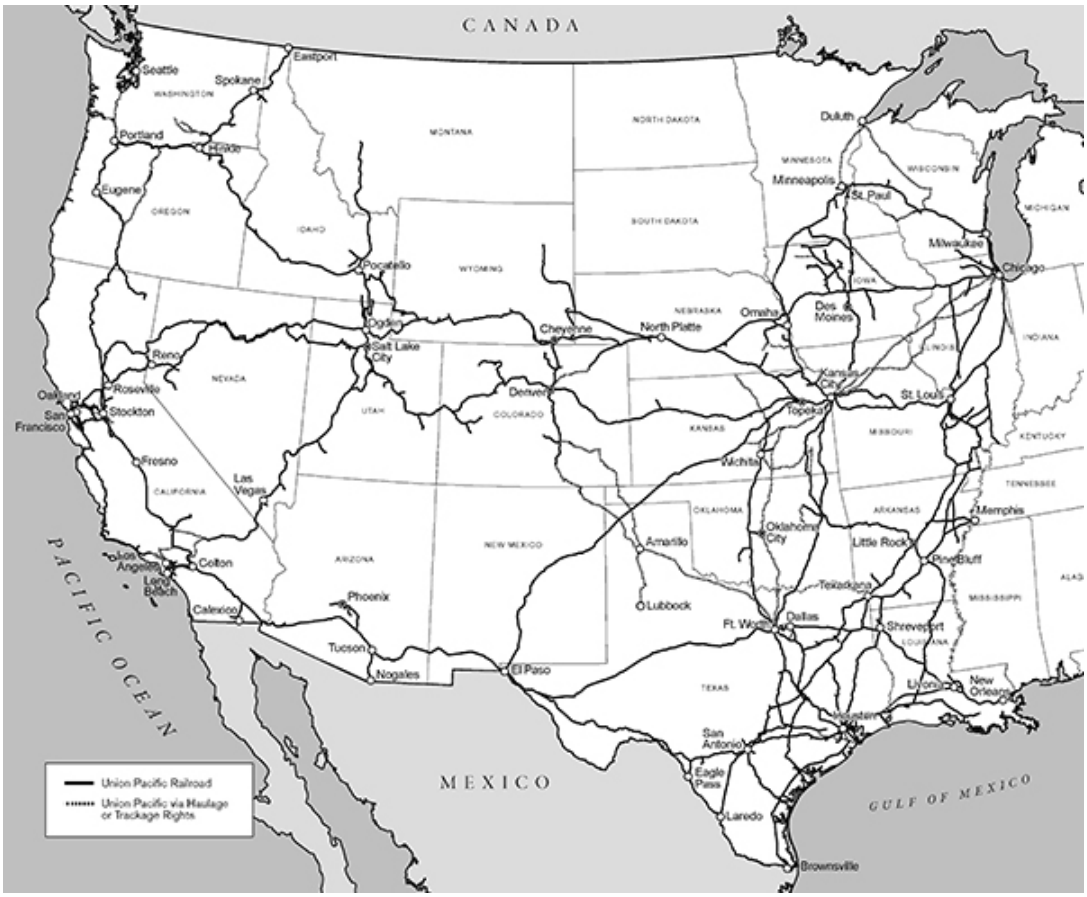
At the management level, our CIO, CISO, and Deputy CISO, each of whom has extensive cybersecurity knowledge and skills gained from over 28 years, 29 years, and 20 years of relevant work experience, respectively, head the Internal Cybersecurity Team that is responsible for implementing and maintaining cybersecurity and data protection practices across our business, with our CIO reporting directly to our Chief Executive Officer. Our CISO and Deputy CISO receive reports on cybersecurity threats from a number of experienced information security professionals for various parts of our business on an ongoing

basis and, in conjunction with other management personnel, regularly consult on risk management measures implemented by the Company to identify and mitigate data protection and cybersecurity risks.

In addition, our Risk and Compliance Committee (RCC) is responsible for oversight and support of the Company's Enterprise Risk Management and Compliance and Ethics programs and is comprised of the Executive Leadership Team and the Senior Vice President and Chief Accounting, Risk, and Compliance Officer (Compliance Officer). The RCC also created a subcommittee, the Enterprise Risk Management Committee (ERMC), who is charged with continually monitoring, evaluating, and managing enterprise risks. The ERMC includes the Compliance Officer, General Auditor, Vice President Law - Finance, Compliance and Commercial Litigation, Vice President and Chief Safety Officer, CISO, Vice President - Strategy and Corporate Development, and Assistant Vice President - Executive Services. The RCC and ERMC both meet throughout the year and receive periodic updates on cybersecurity from the CISO.

Item 2. Properties

We employ a variety of assets in the management and operation of our rail business. Our rail network covers 23 states in the western two-thirds of the U.S.



TRACK

Our rail network includes 32,880 route miles. We own 26,291 miles and operate on the remainder pursuant to trackage rights or leases. The following table describes track miles:

As of December 31,	***2024***	*2023*
Route	**32,880**	32,693
Other main line	**7,116**	7,117
Passing lines and turnouts	**3,526**	3,466
Switching and classification yard lines	**8,850**	8,852
Total miles	**52,372**	52,128

HEADQUARTERS BUILDING

We own our headquarters building in Omaha, Nebraska. The facility has 1.2 million square feet of space that can accommodate approximately 4,000 employees.

HARRIMAN DISPATCHING CENTER

The Harriman Dispatching Center (HDC), located in Omaha, Nebraska, is our primary dispatching facility. It is linked to regional dispatching and locomotive management facilities at various locations along our network. HDC employees coordinate moves of locomotives and trains, manage traffic and train crews on our network, and coordinate interchanges with other railroads. Generally, around 600 employees work on-site in the facility. In the event of a disruption of operations at HDC due to a cyber-attack, flooding or severe weather, pandemic outbreak, or other event, we maintain the capability to conduct critical operations at back-up facilities in different locations.

RAIL FACILITIES

In addition to our track structure, we operate numerous facilities, including terminals for intermodal and other freight; rail yards for building trains (classification yards), switching, storage-in-transit (the temporary storage of customer goods in rail cars prior to shipment), and other activities; offices to administer and manage our operations; dispatching centers to direct traffic on our rail network; crew on duty locations for train crews along our network; and shops and other facilities for fueling, maintenance, and repair of locomotives and repair and maintenance of rail cars and other equipment. The following table includes the major yards and terminals on our system:

Major Classification Yards	*Major Intermodal Terminals*
Houston, Texas	Joliet (Global 4), Illinois
North Platte, Nebraska	Global II (Chicago), Illinois
North Little Rock, Arkansas	East Los Angeles, California
Livonia, Louisiana	ICTF (Long Beach), California
Fort Worth, Texas	Mesquite, Texas
West Colton, California	Marion, Arkansas
Roseville, California	Lathrop, California

RAIL EQUIPMENT

Our equipment includes owned and leased locomotives and rail cars; heavy maintenance equipment and machinery; other equipment and tools in our shops, offices, and facilities; and vehicles for maintenance, transportation of crews, and other activities. As of December 31, 2024, we owned or leased the following units of equipment:

Locomotives	*Owned*	*Leased*	*Total*	*Average Age (yrs.)*
Multiple purpose	5,973	920	6,893	25.2
Switching	122	-	122	44.6
Other	11	-	11	54
Total locomotives	6,106	920	7,026	N/A

Freight cars	*Owned*	*Leased*	*Total*	*Average Age (yrs.)*
Covered hoppers	14,642	8,897	23,539	21.1
Open hoppers	4,658	579	5,237	37.8
Gondolas	6,293	4,251	10,544	23.4
Boxcars	3,741	5,526	9,267	27.2
Refrigerated cars	2,404	945	3,349	20.1
Flat cars	1,966	1,952	3,918	33.4
Other	-	322	322	36.1
Total freight cars	33,704	22,472	56,176	N/A

Highway revenue equipment	*Owned*	*Leased*	*Total*	*Average Age (yrs.)*
Containers	46,375	288	46,663	13.1
Chassis	4,356	1,197	5,553	11.6
Total highway revenue equipment	50,731	1,485	52,216	N/A

We continuously assess our need for equipment to run an efficient and reliable network. Many factors cause us to adjust the size of our active fleets, including changes in carload volumes, weather events, seasonality, customer preferences, and operational efficiency initiatives. As some of these factors are difficult to assess or can change rapidly, we maintain a buffer to remain agile. Without the buffer, our ability to react quickly is hindered as equipment suppliers are limited and lead times to acquire equipment are long and may be in excess of a year. We believe our locomotive and freight car fleets are appropriately sized to meet our current and future business requirements. These fleets serve as the most reliable and efficient equipment to facilitate growth without additional acquisitions. Locomotive and freight car in service utilization percentages for the year ended December 31, 2024, were 65% and 75%, respectively.

CAPITAL EXPENDITURES

Our rail network requires significant annual capital investments for replacement, improvement, and expansion. These investments enhance safety, support the transportation needs of our customers, improve our operational efficiency, and support emission reduction initiatives. Additionally, we add new equipment to our fleet to replace older equipment and to support growth and customer demand.

2024 Capital Program – During 2024, our capital program totaled approximately $3.4 billion. (See the cash capital investments table in Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources, Item 7, of this report.)

2025 Capital Plan – In 2025, we expect our capital plan to be approximately $3.4 billion, consistent with 2024. (See further discussion of our 2025 capital plan in Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources, Item 7, of this report.)

OTHER

Equipment Encumbrances – See Note 14 and 16 to the Financial Statements and Supplementary Data, Item 8.

Environmental Matters – Certain of our properties are subject to federal, state, and local laws and regulations governing the protection of the environment. (See discussion within this report of environmental issues in Business - Governmental and Environmental Regulation, Item 1; Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Environmental, Item 7; and Note 17 to the Financial Statements and Supplementary Data, Item 8.)

Item 3. Legal Proceedings

From time to time, we are involved in legal proceedings, claims, and litigation that occur in connection with our business. We routinely assess our liabilities and contingencies in connection with these matters based upon the latest available information and, when necessary, we seek input from our third-party advisors when making these assessments. Consistent with SEC rules and requirements, we describe below material pending legal proceedings (other than ordinary routine litigation incidental to our business), material proceedings known to be contemplated by governmental authorities, other proceedings arising under federal, state, or local environmental laws and regulations (including governmental proceedings involving potential fines, penalties, or other monetary sanctions in excess of $1,000,000), and such other pending matters that we may determine to be appropriate. See also Note 17 to the Financial Statements and Supplementary Date, Item 8.

ENVIRONMENTAL MATTERS

We receive notices from the EPA and state environmental agencies alleging that we are or may be liable under federal or state environmental laws for remediation costs at various sites throughout the U.S., including sites on the Superfund National Priorities List or state superfund lists. We cannot predict the ultimate impact of these proceedings and suits because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in this report in Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Environmental, Item 7, and Note 17 to the Financial Statements and Supplementary Data, Item 8.

OTHER MATTERS

Antitrust Litigation – As we reported in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, 20 rail shippers (many of whom were represented by the same law firms) filed virtually identical antitrust lawsuits in various federal district courts against us and four other Class I railroads in the U.S. Currently, UPRR and three other Class I railroads are the named defendants in the lawsuits. The original plaintiff filed the first of these claims in the U.S. District Court in New Jersey on May 14, 2007. These suits alleged that the named railroads engaged in price-fixing by establishing common fuel surcharges for certain rail traffic.

On August 16, 2019, the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) affirmed the decision of U.S. District Court for the District of Columbia (U.S. District Court) denying class certification (the Certification Denial). Only five plaintiffs remain in this multidistrict litigation (MDL I) originally filed in 2007. The MDL I claims previously were proceeding on a consolidated basis in the U.S. District of Columbia District Court before the Honorable Paul L. Friedman. In 2024, they were transferred to the Honorable Beryl A. Howell.

Since the Certification Denial, approximately 106 lawsuits by individual shippers are pending in federal court based on claims essentially identical to those alleged in MDL I. The Judicial Panel on Multidistrict Litigation consolidated these suits for pretrial proceedings in the U.S. District Court before the Honorable Beryl A. Howell (MDL II).

As we reported in our Current Report on Form 8-K, filed on June 10, 2011, Oxbow Carbon & Minerals LLC and related entities (Oxbow) filed a complaint against UPRR in the U.S. District Court on June 7, 2011. In 2019, Oxbow dismissed certain claims and the claims that remain are the same as the Plaintiffs' claims in MDL I. Oxbow's claims previously were proceeding in the U.S. District of Columbia District Court before the Honorable Pail L. Friedman. In 2024, Oxbow's case was transferred to the Honorable Beryl A. Howell.

We continue to deny the allegations that our fuel surcharge programs violate the antitrust laws or any other laws. We believe that these lawsuits are without merit, and we will vigorously defend our actions. Therefore, we currently believe that these matters will not have a material adverse effect on any of our results of operations, financial condition, and liquidity.

Item 4. Mine Safety Disclosures

Not applicable.

Information About Our Executive Officers and Principal Executive Officers of Our Subsidiaries

The Board of Directors typically elects and designates our executive officers on an annual basis at the board meeting held in conjunction with the Annual Meeting of Shareholders, and they hold office until their successors are elected. Executive officers also may be elected and designated throughout the year, as the Board of Directors considers appropriate. There are no family relationships among the officers, nor is there any arrangement or understanding between any officer and any other person pursuant to officer selection. The following table sets forth certain information current as of February 7, 2025, relating to the executive officers of UPC and the Railroad.

Name	*Position*	*Age*	*Business Experience During Past Five Years*
V. James Vena	Chief Executive Officer	66	[1]
Elizabeth F. Whited	President	59	[2]
Jennifer L. Hamann	Executive Vice President and Chief Financial Officer	57	Current Position
Eric J. Gehringer	Executive Vice President - Operations	45	[3]
Rahul Jalali	Executive Vice President and Chief Information Officer	51	[4]
Craig V. Richardson	Executive Vice President, Chief Legal Officer, and Corporate Secretary	63	[5]
Kenny G. Rocker	Executive Vice President - Marketing and Sales	53	Current Position
Todd M. Rynaski	Senior Vice President and Chief Accounting, Risk, and Compliance Officer	54	[6]

[1] Mr. Vena was elected Chief Executive Officer effective August 14, 2023. He previously served as a Senior Advisor to the Chairman (January 2021 - June 2021) and Chief Operating Officer (January 2019 - December 2020).

[2] Ms. Whited was elected President effective August 14, 2023. Ms. Whited most recently served as Executive Vice President - Sustainability and Strategy (February 2022 - August 2023). She previously served as Executive Vice President and Chief Human Resources Officer (August 2018 - February 2022).

[3] Mr. Gehringer was elected Executive Vice President - Operations effective January 1, 2021. Mr. Gehringer previously served as Senior Vice President - Transportation (July 2020 - December 2020) and Vice President - Mechanical and Engineering (January 2020 - July 2020).

[4] Mr. Jalali was elected Executive Vice President and Chief Information Officer effective June 1, 2023. Mr. Jalali most recently served as Senior Vice President and Chief Information Officer (November 2020 - May 2023).

[5] Mr. Richardson was elected Executive Vice President, Chief Legal Officer, and Corporate Secretary effective December 8, 2020. He most recently served as Interim Executive Vice President, Chief Legal Officer, and Corporate Secretary (September 2020 - November 2020) and Vice President - Commercial and Regulatory Law (July 2018 - August 2020).

[6] Mr. Rynaski was elected Senior Vice President and Chief Accounting, Risk, and Compliance Officer effective July 1, 2022. Mr. Rynaski previously served as Vice President and Controller (September 2015 - June 2022).

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

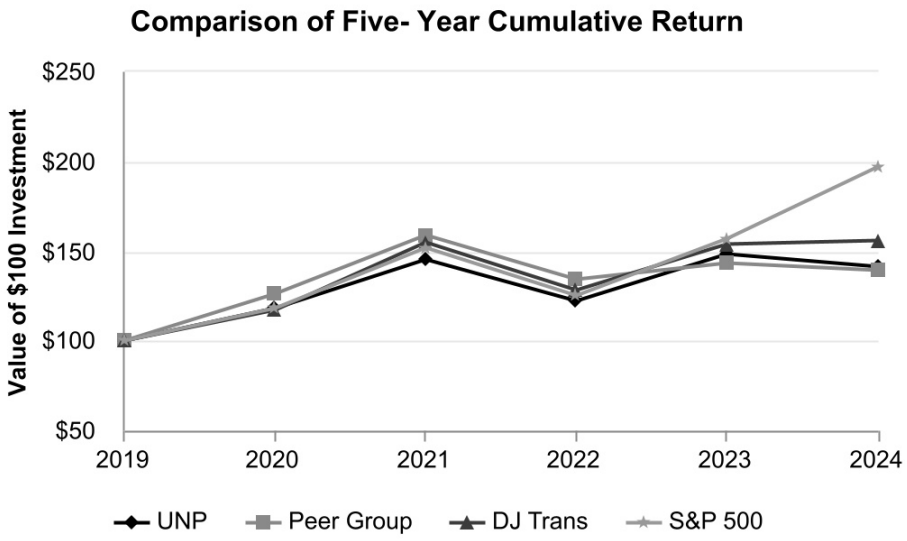
Our common stock is traded on the NYSE under the symbol "UNP".

At January 31, 2025, there were 604,286,378 shares of common stock outstanding and 26,755 common shareholders of record. On that date, the closing price of the common stock on the NYSE was $247.79. We paid dividends to our common shareholders during each of the past 125 years.

Comparison Over One- and Three-Year Periods – The following table presents the cumulative total shareholder returns, assuming reinvestment of dividends, over one- and three-year periods for the Corporation (UNP), a peer group index (comprised of CSX Corporation and Norfolk Southern Corporation), the Dow Jones Transportation Index (DJ Trans), and the Standard & Poor's 500 Stock Index (S&P 500).

Period	*UNP*	*Peer Group*	*DJ Trans*	*S&P 500*
1 Year (2024)	(5.1 %)	(2.4 %)	1.5 %	25.0 %
3 Year (2022 - 2024)	(3.1 %)	(13.0 %)	0.6 %	29.2 %

Five-Year Performance Comparison – The following graph provides an indicator of cumulative total shareholder returns for the Corporation as compared to the peer group index (described above), the DJ Trans, and the S&P 500. The graph assumes that $100 was invested in the common stock of Union Pacific Corporation and each index on December 31, 2019, and that all dividends were reinvested. The information below is historical in nature and is not necessarily indicative of future performance.



Purchases of Equity Securities – During 2024, we repurchased 6,467,619 shares of our common stock at an average price of $240.51. The following table presents common stock repurchases during each month for the fourth quarter of 2024:

Period	*Total Number of Shares Purchased [a]*	*Average Price Paid Per Share*	*Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program*	*Maximum Number of Shares Remaining Under the Plan or Program [b]*
Oct. 1 through Oct. 31	2,503,616	$ 237.58	2,503,002	74,390,644
Nov. 1 through Nov. 30	303,827	235.43	301,783	74,088,861
Dec. 1 through Dec. 31	274	244.72	-	74,088,861
Total	2,807,717	$ 237.35	2,804,785	N/A

[a] Total number of shares purchased during the quarter includes approximately 2,932 shares delivered or attested to UPC by employees to pay stock option exercise prices, satisfy excess tax withholding obligations for stock option exercises or vesting of retention units, and pay withholding obligations for vesting of retention shares.

[b] Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and applicable notes to the Financial Statements and Supplementary Data, Item 8, and other information in this report, including Risk Factors set forth in Item 1A and Critical Accounting Estimates and Cautionary Information at the end of this Item 7. The following section generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network.

EXECUTIVE SUMMARY

2024 Results

- **Safety** – 2024 was a transformational year on our journey to becoming the safest railroad. Our strategy is broken into four pillars – Injury Prevention, Leverage Technology, Situational Awareness Testing, and Peer-to-Peer Engagement.

  Injury Prevention efforts focus on specific, critical tasks to reduce the risk of injury or derailment. These critical tasks are those where any form of non-compliance can result in a serious injury. Training is key to helping our employees understand how to execute those tasks safely.

  We are Leveraging Technology to eliminate or automate activities with the most risk. We have more than 7,000 wayside detectors that monitor freight cars and locomotives in real time, generating 16 million data points daily to proactively identify and mitigate risks. We are building safer trains with our proprietary Physics Train Builder technology, which allows us to evaluate train and route characteristics to enable proactive intervention by our Operating Practices Command Center to prevent derailments. We utilize our autonomous geometry car fleet to inspect 500,000 miles of track annually. This technology and the data it provides enable us to direct investments and resources in the right place, helping to significantly reduce track-caused derailments over the last 10 years.

  Situational Awareness Testing (a program we call COMMIT) is our program that observes, tests, and coaches our employees to promote understanding and compliance with our work rules. This goes beyond the classroom, with an emphasis on being in the field with the employees as they are performing the activities that run the railroad.

  Peer-to-Peer Engagement is driving employee ownership through engagement with our safety programs. This is our culture, a personal commitment to do our jobs with a passion for safety so everyone goes home safely. Employees are encouraged to speak up if they see unsafe behaviors.

The focus on these four pillars is driving results. Our personal injury rate (the number of reportable injuries for every 200,000 employee-hours worked) is down 23% and our derailment incident rate (the number of reportable derailment incidents per million train miles) down 20% compared to 2023 results.

- **Service** – Service performance index for both intermodal and manifest products improved 2 and 4 points, respectively, compared to 2023. Throughout the year we improved network fluidity as reflected in 2% faster freight car velocity and record terminal dwell, improved 3% from 2023.

- **Operational Excellence** – Network performance throughout 2024 was strong. While we experienced some powerful weather events in the second quarter and a second half surge in international intermodal shipments, most of our operating metrics improved year-over year. We maintained a resource buffer that allowed us to strategically integrate crews, locomotives, and freight cars into the network to efficiently handle the growth and recover from the weather events.

- **Financial Results** – Core pricing gains, strong productivity, and 3% volume growth positively impacted our financial results. Operating income of $9.7 billion increased 7% from 2023, and our operating ratio was 59.9%, improving 2.4 points from 2023. Net income of $6.7 billion translated into earnings of $11.09 per diluted share, up 6% from 2023.

  We generated $9.3 billion of cash provided by operating activities, yielded free cash flow of $2.8 billion after reductions of $3.3 billion for cash used in investing activities and $3.2 billion in dividends paid. Both cash provided by operating activities and free cash flow were higher by $384 million due to payments in 2023 related to back wages for agreements reached with our labor unions.

Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Free cash flow is not considered a financial measure under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Free cash flow should be considered in addition to, rather than as a substitute for, cash provided by operating activities. The following table reconciles cash provided by operating activities (GAAP measure) to free cash flow (non-GAAP measure):

Millions		***2024***	***2023***	***2022***
Cash provided by operating activities	**$**	**9,346**	$ 8,379	$ 9,362
Cash used in investing activities		**(3,325)**	(3,667)	(3,471)
Dividends paid		**(3,213)**	(3,173)	(3,159)
Free cash flow	**$**	**2,808**	$ 1,539	$ 2,732

2025 Outlook

- **Safety** – Our goal is to be an industry leader in safety, and we are committed to continuously finding new ways to enhance safety. In 2025, we will continue to focus on our four pillars of safety. Training that engages both new and experienced employees is fundamental to our success. Critical safety tasks will be reinforced and enhanced by adding critical-thinking scenarios to the classroom curriculum. We will continue using a comprehensive safety management approach utilizing technology, hazard identification and risk assessments, employee engagement, training, quality control, and targeted capital investments. In addition, we will continue to collect and utilize data with the goal of identifying and mitigating exposure to risk, detect rail defects, improve or close grade crossings, and educate the public and law enforcement agencies about crossing safety through a combination of our own programs (including risk assessment strategies), industry programs, and local community activities across the network. Safety is paramount to the success of the railroad and deeply ingrained in our culture, and this will not change in 2025.

- **Service** – We are committed to delivering the service we sold to our customers. As we meet with customers to agree on their specific needs and outcomes, we will continue to measure ourselves against the best service we provided them over the last three years and use that as a guide for meeting their expectations. We will engage with customers by being the first to act on new opportunities, investing to grow, and finding innovative solutions to win together.

- **Operational Excellence** – To provide our customers with the service we sold, we must run a fluid network. Network fluidity enables us to effectively utilize all our resources and provides the capacity to respond in an ever-changing environment. Terminal dwell and freight car velocity are key indicators of that fluidity. We will continue to transform our railroad using technology and automation to further improve our service product, improve resource utilization, and lower our overall cost structure.

- **Business Volumes** – Macroeconomic uncertainties remain in 2025 that could have a material impact on our 2025 financial and operating results. Current forecasts for 2025 industrial production show a slight increase versus 2024. In addition, other factors, such as imposition of higher tariffs and changes in domestic and foreign monetary policy may affect economic activity and demand for rail transportation; natural gas prices, weather conditions, and demand for other energy sources may impact the coal market; crude oil prices and spreads may drive demand for petroleum products and drilling materials; available truck capacity could impact our intermodal business; and international trade agreements could promote or hinder trade. Lower coal demand, resulting from ongoing competitive energy dynamics and reduced coal-fired electricity production, and lower international intermodal business, due to the west coast volume surge in 2024, are expected to negatively impact volumes. Additionally, the way our customers are affected by and respond to the implementation of new tariffs may influence our volume levels and traffic flows. Fuel prices may continue to fluctuate in the current economic environment. As prices fluctuate, there will be a timing impact on earnings, as our fuel surcharge programs trail increases or decreases in fuel prices by approximately two months. Regardless of external factors, we will focus on operating a safe railroad and delivering the service we sold to our customers as well as effective asset utilization, cost control, and seeking new business opportunities.

RESULTS OF OPERATIONS

Operating Revenues

Millions		***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Freight revenues	**$**	**22,811**	$ 22,571	$ 23,159	**1 %**	(3)%
Other subsidiary revenues		**788**	872	884	**(10)**	(1)
Accessorial revenues		**554**	584	779	**(5)**	(25)
Other		**97**	92	53	**5**	74
Total	**$**	**24,250**	$ 24,119	$ 24,875	**1 %**	(3)%

We generate freight revenues by transporting products from our three commodity groups. Freight revenues vary with volumes (carloads) and average revenue per car (ARC). Changes in price, traffic mix, and fuel surcharges drive ARC. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied. We recognize freight revenues over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred.

Other subsidiary revenues (primarily logistics and commuter rail operations) are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Freight revenues increased 1% year-over-year to $22.8 billion driven by a 3% increase in volumes and core pricing gains, partially offset by lower fuel surcharge revenues and negative mix of traffic (for example, a relative increase in international intermodal shipments, which have a lower ARC). Volume increases were primarily driven by international intermodal and grain and grain product shipments, partially offset by weaker demand for coal and rock shipments.

Our fuel surcharge programs generated freight revenues of $2.6 billion and $3.0 billion in 2024 and 2023, respectively. Fuel surcharge revenues in 2024 decreased $0.4 billion due to a 15% decrease in fuel prices and the lag impact of fluctuating fuel prices (it can generally take up to two months for changing fuel prices to affect fuel surcharge recoveries), partially offset by higher volumes.

In 2024, other subsidiary revenues decreased compared to 2023 primarily driven by a weaker demand for intermodal shipments at our subsidiary that brokers intermodal and transload logistics services and the partial transfer of our commuter operations to Metra. Accessorial revenues decreased in 2024 compared to 2023 driven by lower intermodal accessorial revenues because of our intermodal equipment sale, partially offset by a one-time contract settlement.

The following tables summarize the year-over-year changes in freight revenues, revenue carloads, and ARC by commodity type:

Freight Revenues *Millions*		***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Grain & grain products	**$**	**3,828**	$ 3,644	$ 3,598	**5 %**	1 %
Fertilizer		**811**	757	712	**7**	6
Food & refrigerated		**1,085**	1,041	1,093	**4**	(5)
Coal & renewables		**1,483**	1,916	2,134	**(23)**	(10)
Bulk		**7,207**	7,358	7,537	**(2)**	(2)
Industrial chemicals & plastics		**2,345**	2,176	2,158	**8**	1
Metals & minerals		**2,081**	2,194	2,196	**(5)**	-
Forest products		**1,326**	1,347	1,465	**(2)**	(8)
Energy & specialized markets		**2,688**	2,521	2,386	**7**	6
Industrial		**8,440**	8,238	8,205	**2**	-
Automotive		**2,452**	2,421	2,257	**1**	7
Intermodal		**4,712**	4,554	5,160	**3**	(12)
Premium		**7,164**	6,975	7,417	**3**	(6)
Total	**$**	**22,811**	$ 22,571	$ 23,159	**1 %**	(3)%

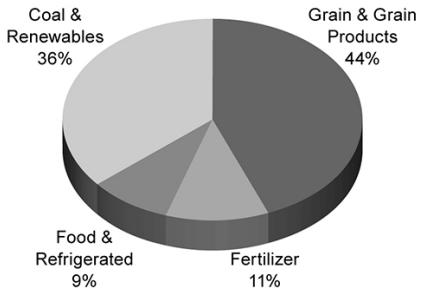
Revenue Carloads *Thousands*	***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Grain & grain products	**850**	798	798	**7 %**	- %
Fertilizer	**213**	191	190	**12**	1
Food & refrigerated	**177**	175	187	**1**	(6)
Coal & renewables	**702**	867	885	**(19)**	(2)
Bulk	**1,942**	2,031	2,060	**(4)**	(1)
Industrial chemicals & plastics	**672**	645	637	**4**	1
Metals & minerals	**719**	793	785	**(9)**	1
Forest products	**213**	213	241	**-**	(12)
Energy & specialized markets	**607**	582	552	**4**	5
Industrial	**2,211**	2,233	2,215	**(1)**	1
Automotive	**824**	820	778	**-**	5
Intermodal [a]	**3,357**	3,028	3,116	**11**	(3)
Premium	**4,181**	3,848	3,894	**9**	(1)
Total	**8,334**	8,112	8,169	**3 %**	(1)%

Average Revenue per Car		***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Grain & grain products	**$**	**4,505**	$ 4,567	$ 4,509	**(1)%**	1 %
Fertilizer		**3,809**	3,962	3,749	**(4)**	6
Food & refrigerated		**6,104**	5,929	5,844	**3**	1
Coal & renewables		**2,113**	2,211	2,410	**(4)**	(8)
Bulk		**3,710**	3,623	3,658	**2**	(1)
Industrial chemicals & plastics		**3,493**	3,374	3,388	**4**	-
Metals & minerals		**2,893**	2,765	2,797	**5**	(1)
Forest products		**6,229**	6,310	6,092	**(1)**	4
Energy & specialized markets		**4,426**	4,335	4,320	**2**	-
Industrial		**3,818**	3,689	3,704	**3**	-
Automotive		**2,976**	2,955	2,902	**1**	2
Intermodal [a]		**1,404**	1,504	1,656	**(7)**	(9)
Premium		**1,714**	1,813	1,905	**(5)**	(5)
Average	**$**	**2,737**	$ 2,782	$ 2,835	**(2)%**	(2)%

[a] For intermodal shipments, each container or trailer equals one carload.

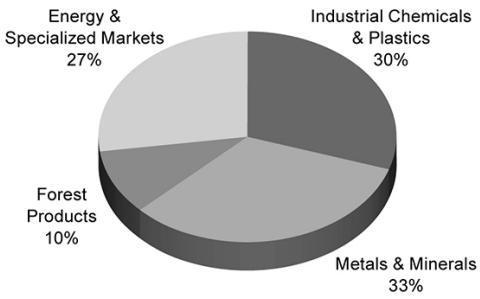
Bulk – Bulk includes shipments of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. Freight revenues from bulk shipments decreased in 2024 compared to 2023 due to lower volumes and lower fuel surcharge revenues, partially offset by positive mix, from decreased coal shipments, and core pricing gains. Volumes declined 4% compared to 2023 driven by reduced use of coal in electricity generation because of low natural gas prices, coal fired plant capacity, and mild winter weather, partially offset by strength in export grain to Mexico and several other grain products. Additionally, the volume declines were partially offset by increased fertilizer shipments due to strong demand and a 2023 customer outage. Volumes for coal and renewables and food and refrigerated shipments were negatively impacted by outages and service challenges due to repeated snow events in Wyoming and flooding in California in the first quarter of 2023 positively impacting the year-over-year comparisons.

2024 Bulk Carloads



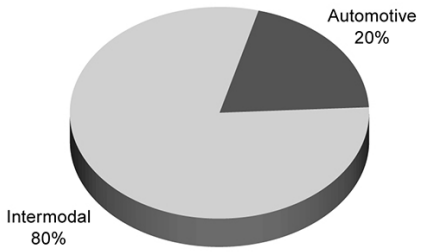
Industrial – Industrial includes shipments of industrial chemicals and plastics, metals and minerals, forest products, and energy and specialized markets. Freight revenues from industrial shipments increased in 2024 versus 2023 due to core pricing gains and positive mix of traffic from decreased short haul rock shipments and increased petroleum shipments, partially offset by lower fuel surcharge revenues and lower volumes. Volumes decreased 1% compared to 2023 driven by lower demand for rock, due to weather, high inventories, and softness in Southern markets, and decreased sand shipments due to the use of local sources, partially offset by strength in petroleum, industrial chemicals, and plastics.

2024 Industrial Carloads



Premium – Premium includes shipments of finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. Freight revenues from premium shipments increased driven by higher volumes and core pricing gains, partially offset by lower fuel surcharge revenues and negative mix. Starting in the third quarter of 2024, international intermodal experienced heavy demand due to increased U.S. West Coast imports, a result of freight shifting from the East Coast and Canadian ports due to uncertainty related to labor negotiations, driving volumes up over 30% in the second half of the year compared to the second half of 2023. In addition, business development efforts in domestic intermodal drove volume growth in 2024 compared to 2023. Automotive shipments were flat year-over-year as business development wins were offset by market weakness and unplanned production decreases.

2024 Premium Carloads



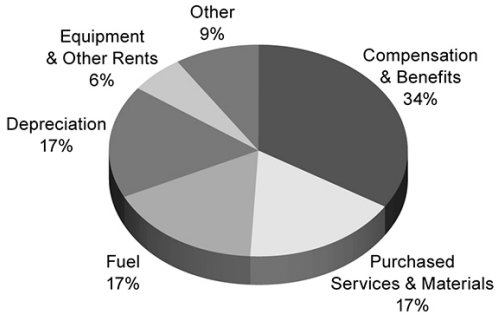
Mexico Business – Freight revenues from each of our commodity groups includes revenues from shipments to and from Mexico, which amounted to $3.0 billion in 2024, up 8% compared to 2023, driven by a 3% volumes increase and a 4% increase in ARC. The volume increases were driven by higher grain and grain product shipments and finished vehicle shipments, partially offset by lower automotive parts shipments.

Operating Expenses

Millions		***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Compensation and benefits	**$**	**4,899**	$ 4,818	$ 4,645	**2 %**	4 %
Purchased services and materials		**2,520**	2,616	2,442	**(4)**	7
Fuel		**2,474**	2,891	3,439	**(14)**	(16)
Depreciation		**2,398**	2,318	2,246	**3**	3
Equipment and other rents		**920**	947	898	**(3)**	5
Other		**1,326**	1,447	1,288	**(8)**	12
Total	**$**	**14,537**	$ 15,037	$ 14,958	**(3)%**	1 %

Operating expenses decreased $500 million, or 3%, in 2024 compared to 2023 driven by lower fuel prices, productivity, a gain on the sale of intermodal equipment in 2024, partially offset by inflation, volume-related costs, and higher depreciation. In addition, positively impacting the year-over-year comparison are lower labor agreement ratification charges as we reached agreements impacting crew staffing in both years, and lower weather-related costs from less impactful winter weather in the first quarter of 2024 compared to 2023.

2024 Operating Expenses



Compensation and Benefits – Compensation and benefits include wages, payroll taxes, health and welfare costs, pension costs, and incentive costs. In 2024, expenses increased 2% compared to 2023 due to wage inflation, which includes the impact of labor agreements to modernize work rules and improve availability, higher incentive compensation, and increased crew needs associated with labor agreements and increased volumes, partially offset by 4% lower employee levels. Train, engine, and yard (TE&Y) force levels were flat compared to 2023 as improved network fluidity allowed us to handle a 3% increase in volumes and the increased needs associated with labor agreements without increasing the size of that workforce.

Purchased Services and Materials – Expense for purchased services and materials includes the costs of services purchased from outside contractors and other service providers (including equipment maintenance and contract expenses incurred by our subsidiaries for external transportation services); materials used to maintain the Railroad's lines, structures, and equipment; costs of operating facilities jointly used by UPRR and other railroads; transportation and lodging for train crew employees; trucking and contracting costs for intermodal containers; leased automobile maintenance expenses; and tools and supplies. Purchased services and materials decreased 4% in 2024 compared to 2023 driven by declines in locomotive maintenance expense due to a smaller active fleet as productivity improved year-over-year, decreased volume-related drayage cost incurred at one of our subsidiaries, and a favorable contract settlement, partially offset by inflation and volume-related costs.

Fuel – Fuel includes locomotive fuel and gasoline for highway and non-highway vehicles and heavy equipment. Fuel expense decreased compared to 2023 due to a decrease in locomotive diesel fuel prices, which averaged $2.64 per gallon (including taxes and transportation costs) in 2024 compared to $3.09 per gallon in 2023, resulting in a $0.4 billion decrease in expense (excluding any impact from decreased volumes year-over-year), and a 1% improvement to the fuel consumption rate in 2024 (computed as gallons of fuel consumed divided by gross ton-miles), partially offset by a 1% increase in gross ton-miles.

Depreciation – The majority of depreciation relates to road property, including rail, ties, ballast, and other track material. Depreciation expense was up 3% in 2024 compared to 2023 due to a higher depreciable asset base.

Equipment and Other Rents – Equipment and other rents expense primarily includes rental expense that the Railroad pays for freight cars owned by other railroads or private companies; freight car, intermodal, and locomotive leases; and office and other rent expenses, offset by equity income from certain equity method investments. Equipment and other rents expense decreased 3% compared to 2023 due to lower lease expense and improved cycle times, partially offset by increased demand in commodities utilizing freight cars owned by others and inflation.

Other – Other expenses include state and local taxes; freight, equipment, and property damage; utilities; insurance; personal injury; environmental; employee travel; telephone and cellular; computer software; bad debt; and other general expenses. Other expenses decreased 8% in 2024 compared to 2023 driven by lower personal injury costs, a 2024 gain on the sale of intermodal equipment, and a 2023 write-off, partially offset by higher freight loss and damage and other casualty cost.

Non-Operating Items

Millions		***2024***	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Other income, net	**$**	**350**	$ 491	$ 426	**(29)%**	15 %
Interest expense		**(1,269)**	(1,340)	(1,271)	**(5)**	5
Income tax expense	**$**	**(2,047)**	$ (1,854)	$ (2,074)	**10 %**	(11)%

Other Income, net – Other income decreased in 2024 compared to 2023 driven by a $107 million real estate transaction in 2023 and lower income from other real estate transactions, partially offset by interest received in 2024 from the IRS on refund claims. See Note 6 to the Financial Statements and Supplementary Data, Item 8, for additional detail.

Interest Expense – Interest expense decreased in 2024 compared to 2023 due to a decreased weighted-average debt level of $31.6 billion in 2024 from $33.2 billion in 2023. The effective interest rate was 4.0% in both periods.

Income Tax Expense – Income tax expense increased in 2024 compared to 2023 driven by higher pre-tax income in 2024 and higher deferred tax expense reductions in 2023, partially offset by the benefit of purchased federal tax credits in 2024. In 2024, the states of Louisiana and Arkansas enacted legislation to reduce their corporate income tax rates for future years resulting in a $34 million reduction of our deferred tax expense. In 2023, the states of Nebraska, Iowa, Kansas, and Arkansas enacted legislation to reduce their corporate income tax rates for future years resulting in a $114 million reduction of our deferred tax expense. Our effective tax rates for 2024 and 2023 were 23.3% and 22.5%, respectively.

OTHER OPERATING/PERFORMANCE AND FINANCIAL STATISTICS

We report a number of key performance measures weekly to the STB. We provide these on our website at https://investor.unionpacific.com/key-performance-metrics.

Operating/Performance Statistics

Management continuously monitors these key operating metrics to evaluate our operational efficiency in striving to deliver the service product we sold to our customers.

Railroad performance measures are included in the table below:

	2024	*2023*	*2022*	***% Change 2024 v 2023***	*% Change 2023 v 2022*
Gross ton-miles (GTMs) (billions)	**847.4**	837.5	843.4	**1 %**	(1) %
Revenue ton-miles (billions)	**409.7**	413.3	420.8	**(1)**	(2)
Freight car velocity (daily miles per car) [a]	**208**	204	191	**2**	7
Average train speed (miles per hour) [a]	**23.6**	24.2	23.8	**(2)**	2
Average terminal dwell time (hours) [a]	**22.6**	23.4	24.4	**(3)**	(4)
Locomotive productivity (GTMs per horsepower day)	**135**	129	125	**5**	3
Train length (feet)	**9,469**	9,356	9,329	**1**	-
Intermodal service performance index (%)	**90**	88	76	**2 pts**	12 pts
Manifest service performance index (%)	**89**	85	77	**4 pts**	8 pts
Workforce productivity (car miles per employee)	**1,062**	1,000	1,036	**6**	(3)
Total employees (average)	**30,336**	31,490	30,717	**(4)**	3
Operating ratio (%)	**59.9**	62.3	60.1	(2.4) pts	2.2 pts

[a] As reported to the STB.

Gross and Revenue Ton-Miles – Gross ton-miles are calculated by multiplying the weight of loaded and empty freight cars by the number of miles hauled. Revenue ton-miles are calculated by multiplying the weight of freight by the number of tariff miles. In 2024, gross ton-miles increased 1% and revenue ton-miles decreased 1%, while carloadings were up 3% year-over-year. Changes in commodity mix drove the year-over-year variances between gross ton-miles, revenue ton-miles, and carloads due to lower coal shipments, which are heavier, and increased international intermodal shipments that are lighter.

Freight Car Velocity – Freight car velocity measures the average daily miles per car on our network. The two key drivers of this metric are the speed of the train between terminals (average train speed) and the time a rail car spends at the terminals (average terminal dwell time). Freight car velocity increased 2% driven by record terminal dwell levels. The 2023 metrics were negatively impacted by operational challenges caused by weather in the first quarter and train crew shortages in some locations in the first half of 2023, positively impacting the year-over-year comparison.

Locomotive Productivity – Locomotive productivity is gross ton-miles per average daily locomotive horsepower. Locomotive productivity improved 5% in 2024 compared to 2023 driven by improved network fluidity and asset utilization despite maintaining a buffer in 2024 to flex the fleet size as we experienced and subsequently recovered from certain weather events and reacted to higher volume levels.

Train Length – Train length is the average maximum train length on a route measured in feet. Our train length increased 1% compared to 2023 due to train length improvement initiatives and increases in international intermodal shipments, which generally move on longer trains, partially offset by declines in coal train length.

Service Performance Index (SPI) – SPI is a ratio of the service customers are currently receiving relative to the best monthly performance over the last three years. Measuring our performance relative to a historical benchmark demonstrates our focus on continuously improving service for our customers, and we believe it is a better indicator of service performance than the previously disclosed trip plan compliance. SPI does not replace the service commitments we have contractually agreed to with a small number of customers. SPI is calculated for intermodal and manifest products. Intermodal SPI improved 2 points, at the same time international volume surged. Manifest SPI improved 4 points in 2024 compared to 2023.

Workforce Productivity – Workforce productivity is average daily car miles per employee. Workforce productivity improved 6% in 2024 as average daily car miles increased 2% and employees decreased 4% compared to 2023. Our active TE&Y workforce increased to support carload demand and increased crew needs associated with labor agreements that went into effect in the third quarter of 2023. In addition, we are maintaining an adequate training pipeline to provide a capacity buffer to enable responsiveness in an ever-changing demand and operating environment.

Operating Ratio – Operating ratio is our operating expenses reflected as a percentage of operating revenues. Our operating ratio of 59.9% improved 2.4 points compared to 2023 driven by productivity initiatives, core pricing gains, and the year-over-year impact from lower fuel prices, partially offset by inflation and other costs. In addition, operating ratio year-over-year comparison was positively impacted by 2024 contract settlements, a 2024 gain on the sale of intermodal equipment, and lower labor agreement ratification charges than in 2023.

Return on Average Common Shareholders' Equity

Millions, Except Percentages		***2024***		*2023*		*2022*
Net income	**$**	**6,747**	$	6,379	$	6,998
Average equity	**$**	**15,839**	$	13,476	$	13,162
Return on average common shareholders' equity		**42.6 %**		47.3 %		53.2 %

Return on Invested Capital as Adjusted (ROIC)

Millions, Except Percentages		***2024***		*2023*		*2022*
Net income	**$**	**6,747**	$	6,379	$	6,998
Interest expense		**1,269**		1,340		1,271
Interest on average operating lease liabilities		**55**		58		56
Taxes on interest		**(308)**		(315)		(304)
Net operating profit after taxes as adjusted	**$**	**7,763**	$	7,462	$	8,021
Average equity	**$**	**15,839**	$	13,476	$	13,162
Average debt		**31,886**		32,953		31,528
Average operating lease liabilities		**1,436**		1,616		1,695
Average invested capital as adjusted	**$**	**49,161**	$	48,045	$	46,385
Return on invested capital as adjusted		**15.8 %**		15.5 %		17.3 %

ROIC is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the efficiency and effectiveness of our long-term capital investments. In addition, we currently use ROIC as a performance criterion in determining certain elements of equity compensation for our executives. ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is return on average common shareholders' equity. The tables above provide a reconciliation from return on average common shareholders' equity to ROIC. At December 31, 2024, 2023, and 2022, the incremental borrowing rate on operating leases was 3.8%, 3.6%, and 3.3%, respectively.

Debt / Net Income

Millions, Except Ratios		***2024***	*2023*	*2022*
Debt	**$**	**31,192**	$ 32,579	$ 33,326
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Debt / net income		**4.6**	5.1	4.8

Adjusted Debt / Adjusted EBITDA

Millions, Except Ratios		***2024***	*2023*	*2022*
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Add:				
Income tax expense		**2,047**	1,854	2,074
Depreciation		**2,398**	2,318	2,246
Interest expense		**1,269**	1,340	1,271
EBITDA	**$**	**12,461**	$ 11,891	$ 12,589
Adjustments:				
Other income, net		**(350)**	(491)	(426)
Interest on operating lease liabilities		**48**	58	54
Adjusted EBITDA (a)	**$**	**12,159**	$ 11,458	$ 12,217
Debt	**$**	**31,192**	$ 32,579	$ 33,326
Operating lease liabilities		**1,271**	1,600	1,631
Adjusted debt (b)	**$**	**32,463**	$ 34,179	$ 34,957
Adjusted debt / adjusted EBITDA (b/a)		**2.7**	3.0	2.9

Adjusted debt (total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post-retirement benefit) obligations) to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on present value of operating leases) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide reconciliations from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt to adjusted EBITDA. At December 31, 2024, 2023, and 2022, the incremental borrowing rate on operating leases was 3.8%, 3.6%, and 3.3%, respectively. Pension and OPEB were funded at December 31, 2024, 2023, and 2022.

LIQUIDITY AND CAPITAL RESOURCES

We are continually evaluating our financial condition and liquidity. We analyze a wide range of economic scenarios and the impact on our ability to generate cash. These analyses inform our liquidity plans and activities outlined below and indicate we have sufficient borrowing capacity to sustain an extended period of lower volumes.

At both December 31, 2024 and 2023, we had a working capital deficit due to upcoming debt maturities. It is not unusual for us to have a working capital deficit, and we believe it is not an indication of a lack of liquidity. We generate strong cash from operations and also maintain adequate resources, including our credit facility and, when necessary, access the capital markets to meet foreseeable cash requirements.

During 2024, we generated $9.3 billion of cash provided by operating activities, paid down $1.3 billion of long-term debt, paid $3.2 billion in dividends, and repurchased shares totaling $1.5 billion. We have been, and we expect to continue to be, in compliance with our debt covenants.

Our principal sources of liquidity include cash and cash equivalents, our Receivables Facility, our revolving credit facility, as well as the availability of commercial paper and other sources of financing through the capital markets. On December 31, 2024, we had $1.0 billion of cash and cash equivalents, $2.0 billion of committed credit available under our revolving credit facility, and up to $800 million undrawn on the Receivables Facility. As of December 31, 2024, none of the revolving credit

facility was drawn, and we did not draw on our revolving credit facility at any time during 2024. Our access to the Receivables Facility may be reduced or restricted if our bond ratings fall to certain levels below investment grade. If our bond rating were to deteriorate, it could have an adverse impact on our liquidity. Access to commercial paper as well as other capital market financing is dependent on market conditions. Deterioration of our operating results or financial condition due to internal or external factors could negatively impact our ability to access capital markets as a source of liquidity. Access to liquidity through the capital markets is also dependent on our financial stability. We expect that we will continue to have access to liquidity through any or all the following sources or activities: (a) increasing the utilization of our Receivables Facility, (b) issuing commercial paper, (c) entering into bank loans, outside of our revolving credit facility, or (iv) issuing bonds or other debt securities to public or private investors based on our assessment of the current condition of the credit markets. The Company's $2.0 billion revolving credit facility is intended to support the issuance of commercial paper by UPC and also serves as an additional source of liquidity to fund short-term needs. The Company currently does not intend to make any borrowings under this facility.

As described in the notes to the Consolidated Financial Statements and as referenced in the table below, we have contractual obligations that may affect our financial condition. Based on our assessment of the underlying provisions and circumstances of our contractual obligations, other than the risks that we and other similarly situated companies face with respect to the condition of the capital markets (as described in Item 1A of Part II of this report), as of the date of this filing, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur that would have a material adverse effect on our consolidated results of operations, financial condition, or liquidity. In addition, our commercial obligations, financings, and commitments are customary transactions that are like those of other comparable corporations, particularly within the transportation industry.

The following table identifies material contractual obligations as of December 31, 2024:

		Payments Due by December 31,					
Millions	*Total*	*2025*	*2026*	*2027*	*2028*	*2029*	*After 2029*
Debt [a]	$ 57,906	$ 2,591	$ 2,617	$ 2,348	$ 2,294	$ 2,253	$ 45,803
Purchase obligations [b]	2,110	999	590	240	160	121	-
Operating leases [c]	1,401	352	281	227	200	128	213
Other post-retirement benefits [d]	378	39	39	38	38	38	186
Finance lease obligations [e]	118	42	35	30	11	-	-
Total contractual obligations	$ 61,913	$ 4,023	$ 3,562	$ 2,883	$ 2,703	$ 2,540	$ 46,202

[a] Excludes finance lease obligations of $109 million as well as unamortized discount and deferred issuance costs of ($1,693) million. Includes an interest component of $25,130 million.
[b] Purchase obligations include locomotive maintenance contracts; purchase commitments for ties, ballast, and rail; and agreements to purchase other goods and services.
[c] Includes leases for locomotives, freight cars, other equipment, and real estate. Includes an interest component of $130 million.
[d] Includes estimated other post-retirement, medical, and life insurance payments, and payments made under the unfunded pension plan for the next ten years.
[e] Represents total obligations, including interest component of $9 million.

Cash Flows

Millions	***2024***	*2023*	*2022*
Cash provided by operating activities	**$ 9,346**	$ 8,379	$ 9,362
Cash used in investing activities	**(3,325)**	(3,667)	(3,471)
Cash used in financing activities	**(6,067)**	(4,625)	(5,887)
Net change in cash, cash equivalents, and restricted cash	**$ (46)**	$ 87	$ 4

Operating Activities

Cash provided by operating activities increased in 2024 compared to 2023 due primarily to $384 million of payments in 2023 related to back wages for agreements reached with our labor unions and increased net income.

Cash flow conversion is defined as cash provided by operating activities less cash used in capital investments as a ratio of net income. Cash flow conversion rate is not considered a financial measure under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe cash

flow conversion rate is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities. The following table reconciles cash provided by operating activities (GAAP measure) to cash flow conversion rate (non-GAAP measure):

Millions, Except Percentages		***2024***		*2023*		*2022*
Cash provided by operating activities	**$**	**9,346**	$	8,379	$	9,362
Cash used in capital investments		**(3,452)**		(3,606)		(3,620)
Total (a)		**5,894**		4,773		5,742
Net income (b)	**$**	**6,747**	$	6,379	$	6,998
Cash flow conversion rate (a/b)		**87 %**		75 %		82 %

Investing Activities

Cash used in investing activities in 2024 decreased compared to 2023 primarily driven by less capital investments and higher proceeds from asset sales, including a sale of intermodal equipment. Roughly half of the year-over-year decrease in capital investments is attributable to the 2023 purchase of a small trucking and transload operator and related real estate assets.

The following table detail cash capital investments for the years ended December 31:

Millions		***2024***		*2023*		*2022*
Ties	**$**	**503**	$	565	$	544
Rail and other track material		**493**		454		437
Ballast		**197**		194		216
Other [a]		**740**		691		693
Total road infrastructure replacements		**1,933**		1,904		1,890
Line expansion and other capacity projects		**183**		239		276
Commercial facilities		**317**		425		308
Total capacity and commercial facilities		**500**		664		584
Locomotives and freight cars [b]		**788**		728		800
Technology and other		**231**		310		346
Total cash capital investments [c]	**$**	**3,452**	$	3,606	$	3,620

[a] Other includes bridges and tunnels, signals, other road assets, and road work equipment.
[b] Locomotives and freight cars include lease buyouts of $143 million, $57 million, and $70 million in 2024, 2023, and 2022, respectively.
[c] Weather-related damages for 2024, 2023, and 2022 are immaterial.

Capital Plan – In 2025, we expect our capital plan to be approximately $3.4 billion, consistent with 2024. We plan to continue to make investments to support our growth strategy, improve the safety, resiliency, and operational efficiency of the network, harden our infrastructure, and replace older assets, including modernization of our locomotive fleet and acquiring freight cars to support replacement and growth opportunities. In addition, the plan includes investments in growth-related projects to drive more carloads to the network and enhance productivity. This includes siding construction and extension projects, terminal investments supporting our manifest network, and invest in certain ramps to efficiently handle volumes from new and existing intermodal customers. The capital plan may be revised if business conditions warrant or if laws or regulations affect our ability to generate sufficient returns on these investments.

Financing Activities

Cash used in financing activities increased in 2024 compared to 2023 driven by an increase in share repurchases and a decrease in debt issued, partially offset by a decrease in the repayment of commercial paper.

See Note 14 to the Financial Statements and Supplementary Data, Item 8, for a description of all our outstanding financing arrangements and significant new borrowings, and Note 18 to the Financial Statements and Supplementary Data, Item 8, for a description of our share repurchase programs.

OTHER MATTERS

Inflation – For capital-intensive companies, inflation significantly increases asset replacement costs for long-lived assets. As a result, assuming that we replace all operating assets at current price levels, depreciation charges (on an inflation-adjusted basis) would be substantially greater than historically reported amounts.

Sensitivity Analyses – The sensitivity analyses that follow illustrate the economic effect that hypothetical changes in interest and tax rates could have on our results of operations and financial condition. These hypothetical changes do not consider other factors that could impact actual results.

Interest Rates – At December 31, 2024, we did not have variable-rate debt.

Market risk for fixed-rate debt is estimated as the potential increase in fair value resulting from a hypothetical 1% decrease in interest rates as of December 31, 2024, and totals an increase of approximately $3.0 billion to the fair value of our debt at December 31, 2024. We estimated the fair values of our fixed-rate debt by considering the impact of the hypothetical interest rates on quoted market prices and current borrowing rates.

Tax Rates – Our deferred tax assets and liabilities are measured based on current tax law. Future tax legislation, such as a change in the federal corporate tax rate, could have a material impact on our financial condition, results of operations, or liquidity. For example, a future, permanent 1% increase in our federal income tax rate would increase our deferred tax liability by approximately $525 million. Similarly, a future, permanent 1% decrease in our federal income tax rate would decrease our deferred tax liability by approximately $525 million.

Accounting Pronouncements – See Note 3 to the Financial Statements and Supplementary Data, Item 8.

Asserted and Unasserted Claims – See Note 17 to the Financial Statements and Supplementary Data, Item 8.

Indemnities – See Note 17 to the Financial Statements and Supplementary Data, Item 8.

Climate Change – Climate change could have an adverse impact on our operations and financial performance (see Risk Factors under Item 1A of this report). We utilize climate scenario analyses to better understand climate-related risks and opportunities the Company may face in the future under a range of potential scenarios. We continue to refine our approach to understand climate-related risks and are taking an iterative approach in our business planning processes as risk factors, solutions, and technology develop. However, we are unable to predict the likelihood, manner, severity, or ultimate financial impact of actual future incidents as climate scenario analysis considers a range of potential outcomes.

We continue to take steps and explore opportunities to reduce our operational impact on the environment, including improving our operational fluidity to increase fuel efficiency, modernizing locomotives for improved reliability and fuel consumption, using renewable fuels, and exploring and testing low- and zero-emissions propulsion technologies. These initiatives are aligned with our strategy of Safety, Service, and Operational Excellence leading to Growth. (See further discussion in "Sustainable Future" in the Operations section in Item 1 of this report.)

CRITICAL ACCOUNTING ESTIMATES

Our Consolidated Financial Statements have been prepared in accordance with GAAP. The preparation of these financial statements requires estimation and judgment that affect the reported amounts of revenues, expenses, assets, and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The following critical accounting estimates are a subset of our significant accounting policies described in Note 2 to the Financial Statements and Supplementary Data, Item 8. These critical accounting estimates affect significant areas of our financial statements and involve judgment and estimates. If these estimates differ significantly from actual results, the impact on our Consolidated Financial Statements may be material.

Personal Injury – See Note 17 to the Financial Statements and Supplementary Data, Item 8, and "*We May Be Subject to Various Claims and Lawsuits That Could Result in Significant Expenditures*" in the Risk Factors, Item 1A.

Our personal injury liability is subject to uncertainty due to unasserted claims, timing and outcome of claims, and evolving trends in litigation. There were no material changes to the assumptions used in the latest actuarial analysis.

Our personal injury liability balance and claims activity was as follows:

		2024	2023	2022
Ending liability balance at December 31 (millions)	$	**379**	$ 383	$ 361
Open claims, beginning balance		**1,871**	2,036	2,027
New claims		**2,842**	3,008	2,747
Settled or dismissed claims		**(3,146)**	(3,173)	(2,738)
Open claims, ending balance at December 31		**1,567**	1,871	2,036

Environmental Costs – See Note 17 to the Financial Statements and Supplementary Data, Item 8; "*We Are Subject to Significant Environmental Laws and Regulations*" in the Risk Factors, Item 1A; and Environmental Matters in the Legal Proceedings, Item 3.

Our environmental liability is subject to several factors such as type of remediation, nature and volume of contaminate, number and financial viability of other potentially responsible parties, as well as uncertainty due to unknown alleged contamination, evolving trends in remediation techniques and final remedies, and changes in laws and regulations.

Our environmental liability balance and site activity was as follows:

		2024	2023	2022
Ending liability balance at December 31 (millions)	$	**268**	$ 245	$ 253
Open sites, beginning balance		**333**	353	376
New sites		**84**	74	69
Closed sites		**(65)**	(94)	(92)
Open sites, ending balance at December 31		**352**	333	353

Property and Depreciation – See Note 11 to the Financial Statements and Supplementary Data, Item 8.

Assets purchased or constructed throughout the year are capitalized if they meet applicable minimum units of property.

Estimated service lives of depreciable railroad property may vary over time due to changes in physical use, technology, asset strategies, and other factors that will have an impact on the retirement profiles of our assets. We are not aware of any specific factors that are reasonably likely to significantly change the estimated service lives of our assets. Actual use and retirement of our assets may vary from our current estimates, which would impact the amount of depreciation expense recognized in future periods.

Changes in estimated useful lives of our assets due to the results of our depreciation studies could significantly impact future periods' depreciation expense and have a material impact on our Consolidated Financial Statements. If the estimated useful lives of all depreciable assets were increased by one year, annual depreciation expense would decrease by approximately $73 million. If the estimated useful lives of all depreciable assets were decreased by one year, annual depreciation expense would increase by approximately $78 million. We are projecting an increase in our depreciation expense of approximately 3% to 4% in 2025 versus 2024. This is driven by an increase in our projected depreciable asset base.

Pension Plans – See Note 5 to the Financial Statements and Supplementary Data, Item 8.

The critical assumptions used to measure pension obligations and expenses are the discount rates and expected rate of return on pension assets.

We evaluate our critical assumptions at least annually, and selected assumptions are based on the following factors:

- We measure the service cost and interest cost components of our net periodic pension benefit/cost by using individual spot rates matched with separate cash flows for each future year. Discount rates are based on a Mercer yield curve of high-quality corporate bonds (rated AA by a recognized rating agency).
- Expected return on plan assets is based on our asset allocation mix and our historical return, taking into consideration current and expected market conditions.

The following tables present the key assumptions used to measure net periodic pension benefit/cost for 2025 and the estimated impact on 2025 net periodic pension benefit/cost relative to a change in those assumptions:

Assumptions	
Discount rate for benefit obligations	5.61 %
Discount rate for interest on benefit obligations	5.32 %
Discount rate for service cost	5.75 %
Discount rate for interest on service cost	5.68 %
Expected return on plan assets	5.25 %

Sensitivities *Millions*		*Increase in Expense Pension*
0.25% decrease in discount rates	$	-
0.25% decrease in expected return on plan assets	$	12

The following table presents the net periodic pension benefit/cost for the years ended December 31:

Millions		*Est. 2025*	*2024*	*2023*	*2022*
Net periodic pension (benefit)/cost	$	(10) $	(3) $	- $	9

CAUTIONARY INFORMATION

Certain statements in this report, and statements in other reports or information filed or to be filed with the SEC (as well as information included in oral statements or other written statements made or to be made by us), are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements and information include, without limitation, statements in the CEO's letter preceding Part I; statements regarding planned capital expenditures under the caption "2025 Capital Plan" in Item 2 of Part I; and statements and information set forth under the captions "2025 Outlook"; "Liquidity and Capital Resources" in Item 7 of Part II regarding our capital plan, share repurchase programs, contractual obligations, "Pension Benefits", and "Other Matters" in this Item 7 of Part II. Forward-looking statements and information also include any other statements or information in this report (including information incorporated herein by reference) regarding: potential impacts of public health crises, including pandemics, epidemics, and the outbreak of other contagious disease, such as COVID; the Russia-Ukraine and Israel-Hamas wars and other geopolitical tensions in the Middle East, and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including customers, employees, and supply chains), including as a result of fluctuations in volumes and carloadings; closing of customer manufacturing, distribution or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications (including those discussed in response to increased traffic); expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, aspirations, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to our business, financial, and operational results, future economic performance, and general economic conditions; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; estimates and expectations regarding potential tariffs; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyber-attacks, or other matters will not have a material adverse effect on our consolidated results of operations, financial condition, or liquidity and any other similar expressions concerning matters that are not historical facts. Forward-looking statements may be identified by their use of forward-looking terminology, such as "believes," "expects," "may," "should," "would," "will," "intends," "plans," "estimates," "anticipates," "projects" and similar words, phrases, or expressions.

Forward-looking statements should not be read as a guarantee of future performance, results, or outcomes, and will not necessarily be accurate indications of the times that, or by which, such performance, results or outcomes will be achieved, if ever. Forward-looking statements and information are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements and information. Forward-looking statements and information reflect the good faith consideration by management of currently available information, and may be based on underlying assumptions believed to be reasonable under the circumstances. However, such information and assumptions (and, therefore, such forward-looking statements and information) are or may be subject to variables or unknown or

unforeseeable events or circumstances over which management has little or no influence or control, and many of these risks and uncertainties are currently amplified by and may continue to be amplified by, or in the future may be amplified by, among other things, macroeconomic and geopolitical conditions.

The Risk Factors in Item 1A of this report could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in any forward-looking statements or information. To the extent circumstances require or we deem it otherwise necessary, we will update or amend these risk factors in a Form 10-Q, Form 8-K, or subsequent Form 10-K. All forward-looking statements are qualified by, and should be read in conjunction with, these Risk Factors.

Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Information concerning market risk sensitive instruments is set forth under Management's Discussion and Analysis of Financial Condition and Results of Operations - Other Matters, Item 7.

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Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Union Pacific Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Union Pacific Corporation and Subsidiary Companies (the "Corporation") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in common stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 7, 2025, expressed an unqualified opinion on the Corporation's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Capitalization of Properties — Refer to Notes 2 and 11 to the financial statements

Critical Audit Matter Description

The Corporation's operations are highly capital intensive and their large network of assets turns over on a continuous basis. Each year, the Corporation develops a capital program for both the replacement of assets and for the acquisition or construction of new assets. In determining whether costs should be capitalized, the Corporation exercises significant judgment in determining whether expenditures meet the applicable minimum units of property criteria and extend the useful life, improve the safety of operations, or improve the operating efficiency of existing assets. The Corporation capitalizes all costs of capital projects necessary to make assets ready for their intended use and because a portion of the Corporation's assets are self-constructed, management also exercises significant judgment in determining the amount of material, labor, work equipment, and indirect costs that qualify for capitalization. Capitalized costs to Properties, net during 2024 were $3.7 billion.

We identified the capitalization of property during 2024 as a critical audit matter because of the significant judgment exercised by management in determining whether costs meet the criteria for capitalization. This, in turn, required a high degree of auditor judgment when performing audit procedures to evaluate whether the criteria to capitalize costs were met and to evaluate sufficiency of audit evidence to support management's conclusions.

How the Critical Audit Matter Was Addressed in the Audit

Our procedures related to capitalization of property included the following, among others:

- We tested the effectiveness of controls over the Corporation's determination of whether costs related to the Corporation's capital investments should be capitalized or expensed.
- We evaluated the Corporation's capitalization policy in accordance with accounting principles generally accepted in the United States of America.
- For a selection of capital projects, we performed the following:
  - Obtained the Corporation's evaluation of each project and determined whether the amount of costs to be capitalized met the criteria for capitalization as outlined within the Corporation's policy by unit of property.
  - Obtained supporting documentation that the project met the applicable minimum units of property criteria and was approved, and evaluated whether the project extended the useful life of an existing asset, improved the safety of operations, or improved the operating efficiency of existing assets.
- For a selection of capitalized costs during the year, we performed the following:
  - Evaluated whether the individual cost selected met the criteria for capitalization.
  - Evaluated whether the selection was accurately recorded at the appropriate amount based on the evidence obtained.

/s/ Deloitte & Touche LLP

Omaha, Nebraska
February 7, 2025

We have served as the Corporation's auditor since 1967.

CONSOLIDATED STATEMENTS OF INCOME
Union Pacific Corporation and Subsidiary Companies

Millions, Except Per Share Amounts, for the Years Ended December 31,		***2024***	*2023*	*2022*
Operating revenues:				
Freight revenues	**$**	**22,811**	$ 22,571	$ 23,159
Other revenues		**1,439**	1,548	1,716
Total operating revenues		**24,250**	24,119	24,875
Operating expenses:				
Compensation and benefits		**4,899**	4,818	4,645
Purchased services and materials		**2,520**	2,616	2,442
Fuel		**2,474**	2,891	3,439
Depreciation		**2,398**	2,318	2,246
Equipment and other rents		**920**	947	898
Other		**1,326**	1,447	1,288
Total operating expenses		**14,537**	15,037	14,958
Operating income		**9,713**	9,082	9,917
Other income, net (Note 6)		**350**	491	426
Interest expense		**(1,269)**	(1,340)	(1,271)
Income before income taxes		**8,794**	8,233	9,072
Income tax expense (Note 7)		**(2,047)**	(1,854)	(2,074)
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Share and Per Share (Note 8):				
Earnings per share - basic	**$**	**11.10**	$ 10.47	$ 11.24
Earnings per share - diluted	**$**	**11.09**	$ 10.45	$ 11.21
Weighted average number of shares - basic		**607.6**	609.2	622.7
Weighted average number of shares - diluted		**608.6**	610.2	624.0

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Union Pacific Corporation and Subsidiary Companies

Millions, for the Years Ended December 31,		***2024***	*2023*	*2022*
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Other comprehensive income/(loss):				
Defined benefit plans		**(14)**	(106)	280
Foreign currency translation		**(95)**	58	52
Unrealized gain on derivative instruments		**-**	16	-
Total other comprehensive income/(loss) [a]		**(109)**	(32)	332
Comprehensive income	**$**	**6,638**	$ 6,347	$ 7,330

[a] Net of deferred taxes of $6 million, $31 million, and ($92) million during 2024, 2023, and 2022, respectively.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Union Pacific Corporation and Subsidiary Companies

Millions, Except Share and Per Share Amounts as of December 31,		***2024***		*2023*
Assets				
Current assets:				
Cash and cash equivalents	**$**	**1,016**	$	1,055
Short-term investments (Note 13)		**20**		16
Accounts receivable, net (Note 10)		**1,894**		2,073
Materials and supplies		**769**		743
Other current assets		**322**		261
Total current assets		**4,021**		4,148
Investments		**2,664**		2,605
Properties, net (Note 11)		**58,343**		57,398
Operating lease assets (Note 16)		**1,297**		1,643
Other assets		**1,390**		1,338
Total assets	**$**	**67,715**	$	67,132
Liabilities and Common Shareholders' Equity				
Current liabilities:				
Accounts payable and other current liabilities (Note 12)	**$**	**3,829**	$	3,683
Debt due within one year (Note 14)		**1,425**		1,423
Total current liabilities		**5,254**		5,106
Debt due after one year (Note 14)		**29,767**		31,156
Operating lease liabilities (Note 16)		**925**		1,245
Deferred income taxes (Note 7)		**13,151**		13,123
Other long-term liabilities		**1,728**		1,714
Commitments and contingencies (Note 17)				
Total liabilities		**50,825**		52,344
Common shareholders' equity:				
Common shares, $2.50 par value, 1,400,000,000 authorized; 1,113,018,733 and 1,112,854,806 issued; 604,241,260 and 609,703,814 outstanding, respectively		**2,783**		2,782
Paid-in-surplus		**5,334**		5,193
Retained earnings		**65,628**		62,093
Treasury stock		**(56,132)**		(54,666)
Accumulated other comprehensive loss (Note 9)		**(723)**		(614)
Total common shareholders' equity		**16,890**		14,788
Total liabilities and common shareholders' equity	**$**	**67,715**	$	67,132

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Union Pacific Corporation and Subsidiary Companies

Millions, for the Years Ended December 31,		***2024***	*2023*	2022
Operating Activities				
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation		**2,398**	2,318	2,246
Deferred and other income taxes		**28**	117	262
Other operating activities, net		**(13)**	(132)	(152)
Changes in current assets and liabilities:				
Accounts receivable, net		**179**	(177)	(169)
Materials and supplies		**(26)**	(2)	(120)
Other current assets		**(69)**	(38)	5
Accounts payable and other current liabilities		**189**	(215)	565
Income and other taxes		**(87)**	129	(273)
Cash provided by operating activities		**9,346**	8,379	9,362
Investing Activities				
Capital investments		**(3,452)**	(3,606)	(3,620)
Other investing activities, net		**127**	(61)	149
Cash used in investing activities		**(3,325)**	(3,667)	(3,471)
Financing Activities				
Dividends paid		**(3,213)**	(3,173)	(3,159)
Debt repaid		**(2,226)**	(2,190)	(2,291)
Share repurchase programs (Note 18)		**(1,505)**	(705)	(6,282)
Debt issued (Note 14)		**800**	1,599	6,080
Other financing activities, net		**77**	(156)	(235)
Cash used in financing activities		**(6,067)**	(4,625)	(5,887)
Net change in cash, cash equivalents, and restricted cash		**(46)**	87	4
Cash, cash equivalents, and restricted cash at beginning of year		**1,074**	987	983
Cash, cash equivalents, and restricted cash at end of year	**$**	**1,028**	$ 1,074	$ 987
Supplemental Cash Flow Information				
Non-cash investing and financing activities:				
Capital investments accrued but not yet paid	**$**	**165**	$ 137	$ 152
Cash paid during the year for:				
Income taxes, net of refunds	**$**	**(1,340)**	$ (1,486)	$ (2,060)
Interest, net of amounts capitalized		**(1,260)**	(1,268)	(1,156)

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN COMMON SHAREHOLDERS' EQUITY
Union Pacific Corporation and Subsidiary Companies

Millions	*Common Shares*	*Treasury Shares*	*Common Shares*	*Paid-in-Surplus*	*Retained Earnings*	*Treasury Stock*	*AOCI [a]*	*Total*
Balance at January 1, 2022	1,112.4	(473.6)	$ 2,781	$ 4,979	$ 55,049	$ (47,734)	$ (914)	$ 14,161
Net income			-	-	6,998	-	-	6,998
Other comprehensive income/(loss)			-	-	-	-	332	332
Conversion, stock option exercises, forfeitures, ESPP, and other	0.2	0.5	1	113	-	-	-	114
Share repurchase programs (Note 18)	-	(27.1)	-	(12)	-	(6,270)	-	(6,282)
Cash dividends declared ($5.08 per share)	-	-	-	-	(3,160)	-	-	(3,160)
Balance at December 31, 2022	1,112.6	(500.2)	$ 2,782	$ 5,080	$ 58,887	$ (54,004)	$ (582)	$ 12,163
Net income			-	-	6,379	-	-	6,379
Other comprehensive income/(loss)			-	-	-	-	(32)	(32)
Conversion, stock option exercises, forfeitures, ESPP, and other	0.3	0.5	-	113	-	50	-	163
Share repurchase programs (Note 18)	-	(3.5)	-	-	-	(712)	-	(712)
Cash dividends declared ($5.20 per share)	-	-	-	-	(3,173)	-	-	(3,173)
Balance at December 31, 2023	1,112.9	(503.2)	$ 2,782	$ 5,193	$ 62,093	$ (54,666)	$ (614)	$ 14,788
Net income			-	-	6,747	-	-	6,747
Other comprehensive income/(loss)			-	-	-	-	(109)	(109)
Conversion, stock option exercises, forfeitures, ESPP, and other	0.1	0.7	1	141	-	49	-	191
Share repurchase programs (Note 18)	-	(6.3)	-	-	-	(1,515)	-	(1,515)
Cash dividends declared ($5.28 per share)	-	-	-	-	(3,212)	-	-	(3,212)
Balance at December 31, 2024	**1,113.0**	**(508.8)**	**$ 2,783**	**$ 5,334**	**$ 65,628**	**$ (56,132)**	**$ (723)**	**$ 16,890**

[a] AOCI = Accumulated Other Comprehensive Income/Loss (Note 9)

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Union Pacific Corporation and Subsidiary Companies

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", “Corporation”, “Company”, “UPC”, “we”, “us”, and “our” mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which will be separately referred to herein as “UPRR” or the “Railroad”.

1. Nature of Operations

Operations and Segmentation – We are a Class I railroad operating in the U.S. Our network includes 32,880 route miles, connecting Pacific Coast and Gulf Coast ports with the Midwest and Eastern U.S. gateways and providing several corridors to key Mexican and Canadian gateways. We own 26,291 miles and operate on the remainder pursuant to trackage rights or leases. We serve the western two-thirds of the country and maintain coordinated schedules with other rail carriers for the handling of freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada, and Mexico. Export and import traffic is moved through Gulf Coast, Pacific Coast, and East Coast ports and across the Mexican and Canadian borders.

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network. The accounting policies of the Railroad segment are the same as those described in Note 2 Significant Accounting Policies.

The Company’s Chief Operating Decision Maker (CODM) is our Chief Executive Officer. The CODM assesses performance for our rail network and decides how to allocate resources based on net income as reported on our Consolidated Statements of Income. The measure of segment assets is reported on our Consolidated Statements of Financial Position as total assets.

Our operating revenues are primarily derived from contracts with customers for the transportation of freight from origin to destination.

Although our revenues are principally derived from customers domiciled in the U.S., the ultimate points of origination or destination for some products we transport are outside the U.S. Freight revenues from each of our commodity groups, as described in the table below, includes revenues from shipments to and from Mexico, which amounted to $3.0 billion in 2024, $2.8 billion in 2023, and $2.7 billion in 2022.

Our significant segment expenses as monitored by the CODM are shown in the table below. This breakout of revenues and expenses is used by the CODM to monitor and assess the financial performance of our rail network by comparing actual results to prior years and plans.

Millions		***2024***	*2023*	*2022*
Bulk	**$**	**7,207**	$ 7,358	$ 7,537
Industrial		**8,440**	8,238	8,205
Premium		**7,164**	6,975	7,417
Total freight revenues	**$**	**22,811**	$ 22,571	$ 23,159
Other subsidiary revenues		**788**	872	884
Accessorial revenues		**554**	584	779
Other		**97**	92	53
Total operating revenues	**$**	**24,250**	$ 24,119	$ 24,875
Operating [a]		**6,795**	6,729	6,212
Administrative [a]		**757**	761	700
Locomotive fuel		**2,418**	2,815	3,321
Other segment items [b]		**2,169**	2,414	2,479
Depreciation		**2,398**	2,318	2,246
Other income, net		**(350)**	(491)	(426)
Interest expense		**1,269**	1,340	1,271
Income tax expense		**2,047**	1,854	2,074
Net income	**$**	**6,747**	$ 6,379	$ 6,998

[a] Operating and Administrative includes compensation and benefits, purchased services and materials, equipment and other rents, non-locomotive fuel, and other expenses.
[b] Other segment items includes car hire and leases, casualty costs, state and local taxes, subsidiary expense, and other overhead expense.

Basis of Presentation – The Consolidated Financial Statements are presented in accordance with accounting principles generally accepted in the U.S. (GAAP) as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Certain prior period amounts have been reclassified to conform to the current period financial statement presentation.

2. Significant Accounting Policies

Principles of Consolidation – The Consolidated Financial Statements include the accounts of Union Pacific Corporation and all of its subsidiaries. Investments in affiliated companies (20% to 50% owned) are accounted for using the equity method of accounting. All intercompany transactions are eliminated. We currently have no less than majority-owned investments that require consolidation under variable interest entity requirements.

Cash, Cash Equivalents, and Restricted Cash – Cash equivalents consist of investments with original maturities of three months or less. Amounts included in restricted cash represent those required to be set aside by contractual agreement.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown on the Consolidated Statements of Cash Flows:

Millions		***2024***	*2023*	*2022*
Cash and cash equivalents	**$**	**1,016**	$ 1,055	$ 973
Restricted cash equivalents in other current assets		**4**	10	10
Restricted cash equivalents in other assets		**8**	9	4
Total cash, cash equivalents, and restricted cash equivalents	**$**	**1,028**	$ 1,074	$ 987

Accounts Receivable – Accounts receivable includes receivables reduced by an allowance for doubtful accounts. The allowance is based upon historical losses, credit worthiness of customers, and current economic conditions. Receivables not

expected to be collected in one year and the associated allowances are classified as other assets in our Consolidated Statements of Financial Position.

Investments – Investments represent our investments in affiliated companies (20% to 50% owned) that are accounted for under the equity method of accounting, and investments in companies (less than 20% owned) accounted for at fair value when there is a readily determined fair value or at cost minus impairment when there are not readily determinable fair values. Our portion of income/loss on equity method investments that are integral to our operations are recorded in operating expenses. Realized and unrealized gains and losses on investments that are not integral to our operations are recorded in other income.

Materials and Supplies – Materials and supplies are carried at the lower of average cost or net realizable value.

Property and Depreciation – Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated service lives, which are measured in years, except for rail in high-density traffic corridors (i.e., all rail lines except for those lines subject to abandonment, yard tracks, and switching tracks), where lives are measured in millions of gross tons per mile of track. We use the group method of depreciation where all items with similar characteristics, use, and expected lives are grouped together in asset classes and are depreciated using composite depreciation rates. The group method of depreciation treats each asset class as a pool of resources, not as singular items. We determine the estimated service lives of depreciable railroad assets by means of depreciation studies. Under the group method of depreciation, no gain or loss is recognized when depreciable property is retired or replaced in the ordinary course of business.

Impairment of Long-Lived Assets – We review long-lived assets, including identifiable intangibles, for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the long-lived assets, the carrying value is reduced to the estimated fair value.

Revenue Recognition – Freight revenues are derived from contracts with customers. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Our contracts include private agreements, private rate/letter quotes, public circulars/tariffs, and interline/foreign agreements. The performance obligation in our contracts is typically delivering a specific commodity from a place of origin to a place of destination and our commitment begins with the tendering and acceptance of a freight bill of lading and is satisfied upon delivery at destination. We consider each freight shipment to be a distinct performance obligation.

We recognize freight revenues over time as freight moves from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Outstanding performance obligations related to freight moves in transit totaled $159 million at December 31, 2024, and $149 million at December 31, 2023, and are expected to be recognized in the following quarter as we satisfy our remaining performance obligations and deliver freight to destination. The transaction price is generally specified in a contract and may be dependent on the commodity, origin/destination, and route. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied.

Under typical payment terms, our customers pay us after each performance obligation is satisfied and there are no material contract assets or liabilities associated with our freight revenues. Outstanding freight receivables are presented in our Consolidated Statements of Financial Position as accounts receivable, net.

Freight revenues related to interline transportation services that involve other railroads are reported on a net basis. The portion of the gross amount billed to customers that is remitted by the Company to another party is not reflected as freight revenues.

Other revenues consist primarily of revenues earned by our other subsidiaries (primarily logistics and commuter rail operations) and accessorial revenues. Other subsidiary revenues are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Translation of Foreign Currency – Our portion of the assets and liabilities related to foreign investments are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Revenues and expenses are translated at the average

rates of exchange prevailing during the year. Unrealized gains or losses are reflected within common shareholders' equity as accumulated other comprehensive income or loss.

Fair Value Measurements – We use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. These levels include:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

We have applied fair value measurements to our short-term investments, certain equity investments, pension plan assets, and short- and long-term debt.

Stock-Based Compensation – We issue treasury shares to cover stock option exercises, stock unit vestings, and ESPP shares, while new shares are issued when retention shares are granted.

We measure and recognize compensation expense for all stock-based awards made to employees, including stock options and ESPP awards. Compensation expense is based on the fair value of the awards as measured at the grant date and is expensed ratably over the service period of the awards (generally the vesting period). The fair value of retention awards is the closing stock price on the date of grant, the fair value of stock options is determined by using the Black-Scholes option pricing model, and the fair value of ESPP awards is based on the Company contribution match.

Earnings Per Share – Basic earnings per share are calculated on the weighted-average number of common shares outstanding during each period. Diluted earnings per share include shares issuable upon exercise of outstanding stock options and stock-based awards where the conversion of such instruments would be dilutive.

Income Taxes – We account for income taxes by recording taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected future tax consequences of events that are reported in different periods for financial reporting and income tax purposes. The majority of our deferred tax assets relate to expenses that already have been recorded for financial reporting purposes but not deducted for tax purposes. The majority of our deferred tax liabilities relate to differences between the tax bases and financial reporting amounts of our land and depreciable property, due to accelerated tax depreciation (including bonus depreciation), revaluation of assets in purchase accounting transactions, and differences in capitalization methods. These expected future tax consequences are measured based on current tax law; the effects of future tax legislation are not anticipated.

When appropriate, we record a valuation allowance against deferred tax assets to reflect that these tax assets may not be realized. In determining whether a valuation allowance is appropriate, we consider whether it is more likely than not that all or some portion of our deferred tax assets will not be realized, based on management's judgments using available evidence for purposes of estimating whether future taxable income will be sufficient to realize a deferred tax asset.

We recognize tax benefits that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards.

Leases – We determine if an arrangement is or contains a lease at inception. Operating lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. When an implicit rate is not available, we use a collateralized incremental borrowing rate for operating leases based on the information available at commencement date, including lease term, in determining the present value of future payments. The operating lease asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating leases are included in operating lease assets, accounts payable and other current liabilities, and operating lease liabilities on our Consolidated Statements of Financial Position. Finance leases are included in properties, net, debt due within one year, and debt due after one year on our Consolidated Statements of Financial Position. Operating lease expense is recognized on a straight-line basis over the lease term and primarily reported in equipment and other rents and financing lease expense is recorded as depreciation and interest expense in our Consolidated Statements of Income.

We have lease agreements with lease and non-lease components, and we have elected to not separate lease and non-lease components for all classes of underlying assets. Leases with an initial term of 12 months or less are not recorded on our Consolidated Statements of Financial Position. Leases with initial terms in excess of 12 months are recorded as operating or financing leases in our Consolidated Statements of Financial Position.

Pension Benefits – In order to measure the expense associated with pension benefits, we must make various assumptions including discount rates used to value certain liabilities, expected return on plan assets used to fund these expenses, compensation increases, employee turnover rates, and anticipated mortality rates. The assumptions used by us are based on our historical experience as well as current facts and circumstances. We use an actuarial analysis to measure the expense and liability associated with these benefits.

Personal Injury – The cost of injuries to employees and others on our property is charged to expense based on estimates of the ultimate cost and number of incidents each year. We use an actuarial analysis to measure the expense and liability, including unasserted claims. Our personal injury liability is not discounted to present value due to the uncertainty surrounding the timing of future payments. Legal fees and incidental costs are expensed as incurred.

Environmental – When environmental issues have been identified with respect to property currently or formerly owned, leased, or otherwise used in the conduct of our business, we perform, with the assistance of our consultants, environmental assessments on such property. We expense the cost of the assessments as incurred. We accrue the cost of remediation where our obligation is probable and such costs can be reasonably estimated. We do not discount our environmental liabilities when the timing of the anticipated cash payments is not fixed or readily determinable. Legal fees and incidental costs are expensed as incurred.

Use of Estimates – The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported assets and liabilities, the disclosure of certain contingent assets and liabilities as of the date of the Consolidated Financial Statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual future results may differ from such estimates.

3. Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update No. (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires business entities to enhance disclosures about significant segment expenses. We adopted the ASU effective for fiscal year ended December 31, 2024. The adoption of this ASU only impacted our disclosures. See Note 1 Nature of Operations.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires business entities to expand their annual disclosures of the effective rate reconciliation and income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024, may be adopted on a prospective or retrospective basis, and early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure of additional information about specific expense categories in the notes to the financial statements. The ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, may be adopted on a prospective or retrospective basis, with early adoption permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

4. Stock Options and Other Stock Plans

In April 2000, the shareholders approved the Union Pacific Corporation 2000 Directors Plan (Directors Plan) whereby 2,200,000 shares of our common stock were reserved for issuance to our non-employee directors. Under the Directors Plan, each non-employee director, upon his or her initial election to the Board of Directors, received a grant of 4,000 retention shares or retention stock units. In July 2018, the Board of Directors eliminated the retention grant for directors newly elected in 2018 and all future years. As of December 31, 2024, 16,000 restricted shares were outstanding under the Directors Plan.

The Union Pacific Corporation 2013 Stock Incentive Plan (2013 Plan) was approved by shareholders in May 2013. The 2013 Plan reserved 78,000,000 shares of our common stock for issuance, plus any shares subject to awards made under previous plans as of February 28, 2013, that are subsequently cancelled, expired, forfeited, or otherwise not issued under previous plans. Under the 2013 Plan, non-qualified stock options, incentive stock options, retention shares, stock units, and incentive bonus awards may be granted to eligible employees of the Corporation and its subsidiaries. Non-employee directors are not

eligible for awards under the 2013 Plan. As of December 31, 2024, 777,939 stock options and no retention shares and stock units were outstanding under the 2013 Plan. We no longer grant any stock options or other stock or unit awards under this plan.

The Union Pacific Corporation 2021 Stock Incentive Plan (2021 Plan) was approved by shareholders in May 2021. The 2021 Plan reserved 23,000,000 shares of our common stock for issuance, plus any shares subject to awards made under previous plans as of December 31, 2021, that are subsequently cancelled, expired, forfeited, or otherwise not issued under previous plans. Under the 2021 Plan, non-qualified stock options, incentive stock options, retention shares, stock units, and incentive bonus awards may be granted to eligible employees of the Corporation and its subsidiaries. Non-employee directors are not eligible for awards under the 2021 Plan. As of December 31, 2024, 1,203,484 stock options and 1,218,529 retention shares were outstanding under the 2021 Plan.

The Union Pacific Corporation 2021 Employee Stock Purchase Plan (2021 ESPP) was approved by shareholders in May 2021. The 2021 ESPP reserved 10,000,000 shares of our common stock for issuance. Under the 2021 ESPP, eligible employees of the Corporation and its subsidiaries may elect to purchase shares with a Company match award. Non-employee directors are not eligible for awards under the 2021 ESPP. As of December 31, 2024, 1,121,859 shares were issued under the 2021 ESPP.

Pursuant to the above plans 31,063,392; 31,979,909; and 33,185,971 shares of our common stock were authorized and available for grant at December 31, 2024, 2023, and 2022, respectively.

Stock-Based Compensation – We have several stock-based compensation plans where employees receive nonvested stock options, nonvested retention shares, and nonvested stock units. We refer to the nonvested shares and stock units collectively as “retention awards”. Employees may also participate in our ESPP.

Information regarding stock-based compensation expense appears in the table below:

Millions		***2024***		*2023*		*2022*
Stock-based compensation, before tax:						
Stock options	**$**	**18**	$	16	$	14
Retention awards		**77**		71		68
ESPP		**23**		20		17
Total stock-based compensation, before tax	**$**	**118**	$	107	$	99
Excess income tax benefits from equity compensation plans	**$**	**15**	$	11	$	21

Stock Options – Stock options are granted at the closing price on the date of grant, have 10-year contractual terms, and vest no later than 3 years from the date of grant. None of the stock options outstanding at December 31, 2024, is subject to performance or market-based vesting conditions.

The table below shows the annual weighted-average assumptions used for Black-Scholes valuation purposes:

Weighted-Average Assumptions		***2024***		*2023*		*2022*
Risk-free interest rate		**4.2 %**		3.9 %		1.6 %
Dividend yield		**2.1 %**		2.6 %		1.9 %
Expected life (years)		**4.4**		4.5		4.4
Volatility		**28.7 %**		29.3 %		28.7 %
Weighted-average grant-date fair value of options granted	**$**	**61.75**	$	48.31	$	51.92

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant; the expected dividend yield is calculated as the ratio of dividends paid per share of common stock to the stock price on the date of grant; the expected life is based on historical and expected exercise behavior; and expected volatility is based on the historical volatility of our stock price over the expected life of the stock option.

A summary of stock option activity during 2024 is presented below:

	Options (thous.)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (yrs.)	Aggregate Intrinsic Value (millions)
Outstanding at January 1, 2024	2,072	$ 180.56	5.9	$ 135
Granted	305	248.82	N/A	N/A
Exercised	(347)	146.25	N/A	N/A
Forfeited or expired	(49)	231.93	N/A	N/A
Outstanding at December 31, 2024	1,981	$ 195.81	5.8	$ 74
Vested or expected to vest at December 31, 2024	1,964	$ 195.51	5.8	$ 74
Options exercisable at December 31, 2024	1,392	$ 180.71	4.7	$ 69

At December 31, 2024, there was $15 million of unrecognized compensation expense related to nonvested stock options, which is expected to be recognized over a weighted-average period of 0.8 years. Additional information regarding stock option exercises appears in the following table:

Millions	**2024**	2023	2022
Intrinsic value of stock options exercised	**$ 35**	$ 23	$ 53
Cash received from option exercises	**46**	27	27
Treasury shares repurchased for employee payroll taxes	**(8)**	(5)	(8)
Income tax benefit realized from option exercises	**7**	5	8
Aggregate grant-date fair value of stock options vested	**$ 15**	$ 14	$ 13

Retention Awards – Retention awards are granted at no cost to the employee, vest over periods lasting up to 4 years, and have dividends and dividend equivalents paid to participants during the vesting periods.

Changes in our retention awards during 2024 were as follows:

	Shares (thous.)	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2024	996	$ 207.76
Granted	213	248.66
Vested	(252)	186.86
Forfeited	(42)	219.41
Nonvested at December 31, 2024	915	$ 222.50

At December 31, 2024, there was $70 million of total unrecognized compensation expense related to nonvested retention awards, which is expected to be recognized over a weighted-average period of 1.1 years.

Performance Stock Unit Awards – In February 2024, our Board of Directors approved performance stock unit grants. This plan is based on performance targets for annual return on invested capital (ROIC) and operating income growth (OIG) compared to companies in the S&P 100 Industrials Index plus the Class I railroads. We define ROIC as net operating profit adjusted for interest expense (including interest on average operating lease liabilities) and taxes on interest divided by average invested capital adjusted for average operating lease liabilities.

The February 2024 stock units awarded to executives are subject to continued employment for 37 months, the attainment of certain levels of ROIC, and the relative three-year OIG. We expense two-thirds of the fair value of the units that are probable of being earned based on our forecasted ROIC over the three-year performance period, and with respect to the third year of the plan, we expense the remaining one-third of the fair value subject to the relative three-year OIG. We measure the fair value of performance stock units based upon the closing price of the underlying common stock as of the date of grant. Dividend equivalents are accumulated during the service period and paid to participants only after the units are earned.

Changes in our performance stock unit awards during 2024 were as follows:

	Shares (thous.)	*Weighted-Average Grant-Date Fair Value*
Nonvested at January 1, 2024	617	$ 204.50
Granted	227	248.82
Vested	(119)	204.67
Unearned	(70)	204.45
Forfeited	(48)	229.39
Nonvested at December 31, 2024	607	$ 219.08

At December 31, 2024, there was $15 million of total unrecognized compensation expense related to nonvested performance stock unit awards, which is expected to be recognized over a weighted-average period of 1.1 years. This expense is subject to achievement of the performance measures established for the performance stock unit grants.

Employee Stock Purchase Plan – Employee and Company contributions are used to issue treasury shares the month after employee contributions are withheld based on the settlement date closing price. The Company matches 40% contributed by the employee up to a maximum employee contribution of 5% of monthly salary (limited to $15,000 annually). We expense the Company contributions in the month the employee services were rendered (i.e., the month the employee contributions were withheld).

5. Retirement Plans

Pension Benefits

We provide defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans. Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment, with specific reductions made for early retirements. Non-union employees hired on or after January 1, 2018, are no longer eligible for pension benefits, but are eligible for an enhanced 401(k) benefit as described below in other retirement programs.

Funded Status

We are required by GAAP to separately recognize the overfunded or underfunded status of our pension plans as an asset or liability. The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the plan assets. Our non-qualified (supplemental) pension plan is unfunded by design. The PBO of the pension plans is the present value of benefits earned to date by plan participants, including the effect of assumed future compensation increases. Plan assets are measured at fair value. We use a December 31 measurement date for plan assets and obligations for all our retirement plans.

Changes in our PBO and plan assets were as follows for the years ended December 31:

Funded Status			
Millions		***2024***	*2023*
Projected Benefit Obligation			
Projected benefit obligation at beginning of year	**$**	**3,880**	$ 3,725
Service cost		**52**	52
Interest cost		**186**	187
Actuarial loss/(gain)		**(269)**	146
Gross benefits paid		**(336)**	(230)
Projected benefit obligation at end of year	**$**	**3,513**	$ 3,880
Plan Assets			
Fair value of plan assets at beginning of year	**$**	**4,400**	$ 4,363
Actual return/(loss) on plan assets		**(28)**	235
Non-qualified plan benefit contributions		**32**	32
Gross benefits paid		**(336)**	(230)
Fair value of plan assets at end of year	**$**	**4,068**	$ 4,400
Funded status at end of year	**$**	**555**	$ 520

Actuarial gains that decrease the PBO were driven by an increase in 2024 discount rates from 5.00% to 5.61%. Actuarial losses that increase the PBO were driven by a decrease in 2023 discount rates from 5.21% to 5.00%.

Amounts recognized in the statement of financial position as of December 31, 2024 and 2023, consist of:

Millions		***2024***	*2023*
Noncurrent assets	**$**	**950**	$ 924
Current liabilities		**(32)**	(31)
Noncurrent liabilities		**(363)**	(373)
Net amounts recognized at end of year	**$**	**555**	$ 520

Pre-tax amounts recognized in accumulated other comprehensive income/loss consist of $644 million and $643 million net actuarial loss as of December 31, 2024 and 2023, respectively.

Pre-tax changes recognized in other comprehensive income/loss as of December 31, 2024, 2023, and 2022, were as follows:

Millions		***2024***	*2023*	*2022*
Net actuarial (loss)/gain	**$**	**(11)**	$ (159)	$ 272
Amortization of:				
Actuarial loss		**11**	9	86
Total	**$**	**-**	$ (150)	$ 358

Underfunded Accumulated Benefit Obligation – The accumulated benefit obligation (ABO) is the present value of benefits earned to date, assuming no future compensation growth. The underfunded accumulated benefit obligation represents the difference between the ABO and the fair value of plan assets.

The following table discloses only the PBO, ABO, and fair value of plan assets for pension plans where the accumulated benefit obligation is in excess of the fair value of the plan assets as of December 31:

Underfunded Accumulated Benefit Obligation				
Millions		***2024***		*2023*
Projected benefit obligation	**$**	**395**	$	404
Accumulated benefit obligation	**$**	**389**	$	399
Fair value of plan assets		**-**		-
Underfunded accumulated benefit obligation	**$**	**(389)**	$	(399)

The ABO for all defined benefit pension plans was $3.3 billion and $3.6 billion at December 31, 2024 and 2023, respectively.

Assumptions – The weighted-average actuarial assumptions used to determine benefit obligations at December 31:

Percentages	**2024**	*2023*
Discount rate	**5.61 %**	5.00 %
Compensation increase	**4.00 %**	4.00 %

Expense

Pension expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a 5-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual returns on assets and expected returns based on long-term rate of return assumptions. Differences in actual experience in relation to assumptions are not recognized in net income immediately but are deferred in accumulated other comprehensive income/loss and, if necessary, amortized as pension expense.

The components of our net periodic pension benefit/cost were as follows for the years ended December 31:

Millions		**2024**		*2023*		2022
Service cost	**$**	**52**	$	52	$	93
Interest cost		**186**		187		123
Expected return on plan assets		**(252)**		(248)		(293)
Amortization of actuarial loss		**11**		9		86
Net periodic pension (benefit)/cost	**$**	**(3)**	$	-	$	9

Assumptions – The weighted-average actuarial assumptions used to determine expense were as follows:

Percentages	***2024***	*2023*	*2022*
Discount rate for benefit obligations	**5.00 %**	5.21 %	2.80 %
Discount rate for interest on benefit obligations	**4.91 %**	5.14 %	2.40 %
Discount rate for service cost	**5.05 %**	5.19 %	2.91 %
Discount rate for interest on service cost	**5.02 %**	5.21 %	2.86 %
Expected return on plan assets	**5.25 %**	5.25 %	6.25 %
Compensation increase	**4.00 %**	4.10 %	4.10 %

We measure the service cost and interest cost components of our net periodic pension benefit/cost by using individual spot discount rates matched with separate cash flows for each future year. The discount rates were based on a yield curve of high-quality corporate bonds. The expected return on plan assets is based on our asset allocation mix and our historical return, taking into account current and expected market conditions.

Cash Contributions

The following table details cash contributions, if any, for the qualified and non-qualified (supplemental) pension plans:

Millions		*Qualified*	*Non-qualified*
2024	$	-	$ 32
2023	$	-	$ 32

Our policy with respect to funding the qualified pension plans is to fund at least the minimum required by law and not more than the maximum amount deductible for tax purposes.

The non-qualified pension plan is not funded and is not subject to any minimum regulatory funding requirements. Benefit payments for each year represent supplemental pension payments. We anticipate our 2025 supplemental pension payments will be made from cash generated from operations.

Benefit Payments

The following table details expected benefit payments for the years 2025 through 2034:

Millions		
2025	$	231
2026		230
2027		230
2028		230
2029		231
Years 2030 - 2034	$	1,177

Asset Allocation Strategy

Our pension plan asset allocation at December 31, 2024 and 2023, and target allocation for 2025, are as follows:

	Target Allocation 2025	*Percentage of Plan Assets December 31,*	
		2024	*2023*
Equity securities	20% to 30%	**24 %**	24 %
Debt securities	70% to 80%	**75**	75
Real estate	0% to 2%	**1**	1
Total		**100 %**	100 %

The pension plan investments are held in a master trust. The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve our target average long-term rate of return of 5.25%. While we believe we can achieve a long-term average rate of return of 5.25%, we cannot be certain that the portfolio will perform to our expectations. Assets are strategically allocated among equity, debt, and other investments in order to achieve a diversification level that reduces fluctuations in investment returns. Asset allocation target ranges for equity, debt, and other portfolios are evaluated at least every three years with the assistance of an independent consulting firm. Actual asset allocations are monitored monthly, and rebalancing actions are executed at least quarterly, as needed.

The average credit rating of the debt portfolio was AA- at both December 31, 2024 and 2023. The debt portfolio is also broadly diversified and invested primarily in U.S. Treasury, mortgage, and corporate securities. The weighted-average maturity of the debt portfolio was 22 years at both December 31, 2024 and 2023.

The investment of pension plan assets in securities issued by UPC is explicitly prohibited by the plan for both the equity and debt portfolios, other than through index fund holdings.

Fair Value Measurements

The pension plan assets are valued at fair value. The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Federal Government Securities – Federal Government Securities consist of bills, notes, bonds, and other fixed income securities issued directly by the U.S. Treasury or by government-sponsored enterprises. These assets are valued using a bid evaluation process with bid data provided by independent pricing sources. Federal Government Securities are classified as Level 2 investments.

Bonds and Debentures – Bonds and debentures consist of debt securities issued by U.S. and non-U.S. corporations as well as state and local governments. These assets are valued using a bid evaluation process with bid data provided by independent pricing sources. Corporate, state, and municipal bonds and debentures are classified as Level 2 investments.

Corporate Stock – This investment category consists of common and preferred stock issued by U.S. and non-U.S. corporations. Most common shares are traded actively on exchanges and price quotes for these shares are readily available. Common stock is classified as a Level 1 investment. Preferred shares included in this category are valued using a bid evaluation process with bid data provided by independent pricing sources. Preferred stock is classified as a Level 2 investment.

Venture Capital and Buyout Partnerships – This investment category is comprised of interests in limited partnerships that invest primarily in privately-held companies. Due to the private nature of the partnership investments, pricing inputs are not readily observable. Asset valuations are developed by the general partners that manage the partnerships. These valuations are based on the application of public market multiples to private company cash flows, market transactions that provide valuation information for comparable companies, and other methods. The fair value recorded by the plan is calculated using each partnership's net asset value (NAV).

Real Estate Funds – The plan's real estate investments are primarily interests in private real estate investment trusts, partnerships, limited liability companies, and similar structures. Valuations for the holdings in this category are not based on readily observable inputs and are primarily derived from property appraisals. The fair value recorded by the plan is calculated using the NAV for each investment.

Collective Trust and Other Funds – Collective trust and other funds are comprised of shares or units in commingled funds and limited liability companies that are not publicly traded. The underlying assets in these entities (global stock funds and short-term investment funds) are publicly traded on exchanges and price quotes for the assets held by these funds are readily available. The fair value recorded by the plan is calculated using NAV for each investment.

As of December 31, 2024, the pension plan assets measured at fair value on a recurring basis were as follows:

Millions	*Quoted Prices in Active Markets for Identical Inputs (Level 1)*	*Significant Other Observable Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*	*Total*
Plan assets at fair value:				
Federal government securities	$ -	$ 1,448	$ -	$ 1,448
Bonds and debentures	-	1,512	-	1,512
Corporate stock	220	6	-	226
Total plan assets at fair value	$ 220	$ 2,966	$ -	$ 3,186
Plan assets at NAV:				
Venture capital and buyout partnerships				446
Real estate funds				26
Collective trust and other funds				370
Total plan assets at NAV				$ 842
Other assets/(liabilities) [a]				40
Total plan assets				$ 4,068

As of December 31, 2023, the pension plan assets measured at fair value on a recurring basis were as follows:

Millions	*Quoted Prices in Active Markets for Identical Inputs (Level 1)*	*Significant Other Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*	*Total*
Plan assets at fair value:				
Federal government securities	$ -	$ 1,508	$ -	$ 1,508
Bonds and debentures	-	1,696	-	1,696
Corporate stock	176	5	-	181
Total plan assets at fair value	$ 176	$ 3,209	$ -	$ 3,385
Plan assets at NAV:				
Venture capital and buyout partnerships				554
Real estate funds				30
Collective trust and other funds				382
Total plan assets at NAV				$ 966
Other assets/(liabilities) [a]				49
Total plan assets				$ 4,400

[a] Includes accrued receivables, net payables, and pending broker settlements.

The master trust's investments in limited partnerships and similar structures (used to invest in private equity and real estate) are valued at fair value based on their proportionate share of the partnerships' fair value as recorded in the limited partnerships' audited financial statements. The limited partnerships allocate gains, losses, and expenses to the partners based on the ownership percentage as described in the partnership agreements.

Other Retirement Programs

Other Post-Retirement Benefits – We provide medical and life insurance benefits for eligible retirees hired before January 1, 2004. These benefits are funded as medical claims and life insurance premiums are paid. OPEB expense is determined based upon the annual service cost of benefits and the interest cost on those liabilities plus amortization of net (gain)/loss amounts offset by amortization of prior service credits recorded in AOCI. Our OPEB liability was $104 million at both December 31, 2024 and 2023. The liability is based on discount rate assumptions of 5.53% and 4.97% at December 31,

2024 and 2023, respectively. OPEB net periodic (benefit)/cost was ($5) million in 2024, ($7) million in 2023, and ($2) million in 2022.

401(k)/Thrift Plan – For non-union employees hired prior to January 1, 2018, and eligible union employees for whom we make matching contributions, we provide a defined contribution plan (401(k)/thrift plan). We match 50% for each dollar contributed by employees up to the first 6% of compensation contributed. For non-union employees hired on or after January 1, 2018, we match 100% for each dollar, up to the first 6% of compensation contributed, in addition to contributing an annual amount of 3% of the employee's annual base salary. Our plan contributions were $28 million in 2024, $27 million in 2023, and $24 million in 2022.

Railroad Retirement System – All Railroad employees are covered by the Railroad Retirement System (the System). Contributions made to the System are expensed as incurred and amounted to approximately $671 million in 2024, $711 million in 2023, and $586 million in 2022.

Collective Bargaining Agreements – Under collective bargaining agreements, we participate in multi-employer benefit plans that provide certain post retirement health care and life insurance benefits for eligible union employees. Premiums paid under these plans are expensed as incurred and amounted to $12 million in 2024, $16 million in 2023, and $20 million in 2022.

6. Other Income

Other income included the following for the years ended December 31:

Millions		***2024***	*2023*	*2022*
Real estate income [a]	**$**	**263**	$ 414	$ 381
Net periodic pension benefit/(costs)		**55**	52	84
Interest income [b]		**52**	52	23
Non-operating property environmental remediation and restoration		**(37)**	(37)	(47)
Interest from IRS refund claims		**24**	-	-
Other [b]		**(7)**	10	(15)
Total	**$**	**350**	$ 491	$ 426

[a] 2023 includes a one-time $107 million transaction. 2022 includes a $79 million gain from a land sale to the Illinois State Toll Highway Authority and a $35 million gain from a sale to the Colorado Department of Transportation.

[b] Prior periods have been reclassified to conform to the current period disclosure.

7. Income Taxes

Components of income tax expense were as follows for the years ended December 31:

Millions		***2024***	*2023*	*2022*
Current tax expense:				
Federal	**$**	**1,649**	$ 1,417	$ 1,465
State		**359**	314	340
Foreign		**11**	6	7
Total current tax expense		**2,019**	1,737	1,812
Deferred and other tax expense/(benefit):				
Federal		**47**	219	320
State [a]		**(24)**	(104)	(59)
Foreign		**5**	2	1
Total deferred and other tax expense		**28**	117	262
Total income tax expense	**$**	**2,047**	$ 1,854	$ 2,074

[a] In 2024, Louisiana and Arkansas enacted corporate income tax legislation that resulted in a $34 million reduction of our deferred tax expense. In 2023, Nebraska, Iowa, Kansas, and Arkansas enacted corporate income tax legislation that resulted in a $114 million reduction of our deferred tax expense. In 2022, Nebraska, Iowa, Arkansas, and Idaho enacted corporate income tax legislation that resulted in a $95 million reduction of our deferred tax expense.

For the years ended December 31, reconciliations between statutory and effective tax rates are as follows:

Tax Rate Percentages	***2024***	*2023*	*2022*
Federal statutory tax rate	**21.0 %**	21.0 %	21.0 %
State statutory rates, net of federal benefits	**3.2**	3.4	3.6
Dividends received deduction	**(0.5)**	(0.6)	(0.5)
Excess tax benefits from equity compensation plans	**(0.2)**	(0.1)	(0.2)
Deferred tax adjustments	**-**	(1.2)	(1.0)
Other [a]	**(0.2)**	-	-
Effective tax rate	**23.3 %**	22.5 %	22.9 %

[a] The effective income tax rate for 2024 includes tax benefits from purchases of federal tax credits.

Deferred income tax assets/(liabilities) were comprised of the following at December 31:

Millions		***2024***	*2023*
Deferred income tax liabilities:			
Property	**$**	**(13,020)** $	(12,987)
Operating lease assets		**(314)**	(404)
Other		**(581)**	(556)
Total deferred income tax liabilities		**(13,915)**	(13,947)
Deferred income tax assets:			
Operating lease liabilities		**308**	394
Accrued casualty costs		**172**	168
Accrued wages		**51**	50
Stock compensation		**28**	26
Other		**205**	186
Total deferred income tax assets		**764**	824
Net deferred income tax liability	**$**	**(13,151)** $	(13,123)

In 2024 and 2023, there were no valuation allowances against deferred tax assets.

A reconciliation of changes in unrecognized tax benefits liabilities/(assets) from the beginning to the end of the reporting period is as follows:

Millions		***2024***	*2023*	*2022*
Unrecognized tax benefits at January 1	**$**	**30** $	34 $	38
Refunds from/(payments to) and settlements with taxing authorities		**7**	-	-
Decreases for positions taken in prior years		**(6)**	(1)	(4)
Increases/(decreases) for interest and penalties		**1**	-	-
Lapse of statutes of limitations		**-**	(4)	(3)
Increases for positions taken in current year		**-**	1	3
Unrecognized tax benefits at December 31	**$**	**32** $	30 $	34

We recognize interest and penalties as part of income tax expense. Total accrued liabilities/(receivables) for interest and penalties were $4 million and ($4) million at December 31, 2024 and 2023, respectively. Total interest and penalties recognized as part of income tax expense/(benefit) were $1 million for 2024, ($1) million for 2023, and ($2) million for 2022.

Several state tax authorities are examining our state income tax returns for years 2018 through 2023.

We do not expect our unrecognized tax benefits to change significantly in the next 12 months. The portion of our unrecognized tax benefits that relates to permanent changes in tax and interest would reduce our effective tax rate, if recognized. The remaining unrecognized tax benefits relate to tax positions for which only the timing of the benefit is

uncertain. The unrecognized tax benefits that would reduce our effective tax rate are $32 million for 2024, $30 million for 2023, and $31 million for 2022.

8. Earnings Per Share

The following table provides a reconciliation between basic and diluted earnings per share for the years ended December 31:

Millions, Except Per Share Amounts		***2024***	*2023*	*2022*
Net income	**$**	**6,747**	$ 6,379	$ 6,998
Weighted-average number of shares outstanding:				
Basic		**607.6**	609.2	622.7
Dilutive effect of stock options		**0.4**	0.4	0.6
Dilutive effect of retention shares and units		**0.6**	0.6	0.7
Diluted		**608.6**	610.2	624.0
Earnings per share - basic	**$**	**11.10**	$ 10.47	$ 11.24
Earnings per share - diluted	**$**	**11.09**	$ 10.45	$ 11.21

Common stock options totaling 0.6 million, 0.9 million, and 0.3 million for 2024, 2023, and 2022, respectively, were excluded from the computation of diluted earnings per share because the exercise prices of these stock options exceeded the average market price of our common stock for the respective periods, and the effect of their inclusion would be anti-dilutive.

9. Accumulated Other Comprehensive Income/Loss

Reclassifications out of accumulated other comprehensive income/loss were as follows (net of tax):

Millions	*Defined benefit plans*	*Foreign currency translation*	*Unrealized gain on derivative instruments [a]*	*Total*
Balance at January 1, 2024	$ (484)	$ (146)	$ 16	$ (614)
Other comprehensive income/(loss) before reclassifications	2	(95)	-	(93)
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(16)	-	-	(16)
Net year-to-date other comprehensive income/(loss), net of taxes of $6 million	(14)	(95)	-	(109)
Balance at December 31, 2024	$ (498)	$ (241)	$ 16	$ (723)
Balance at January 1, 2023	$ (378)	$ (204)	$ -	$ (582)
Other comprehensive income/(loss) before reclassifications	5	58	16	79
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(111)	-	-	(111)
Net year-to-date other comprehensive income/(loss), net of taxes of $31 million	(106)	58	16	(32)
Balance at December 31, 2023	$ (484)	$ (146)	$ 16	$ (614)

[a] Related to interest rate swaps from equity method investments.
[b] The accumulated other comprehensive income/loss reclassification components are 1) prior service cost/credit and 2) net actuarial loss, which are both included in the computation of net periodic pension benefit/cost. See Note 5 Retirement Plans for additional details.

10. Accounts Receivable

Accounts receivable include freight and other receivables reduced by an allowance for doubtful accounts. At December 31, 2024 and 2023, our accounts receivable were reduced by $6 million and $9 million, respectively. Receivables not expected to be collected in one year and the associated allowances are classified as other assets in our Consolidated Statements of Financial Position. At December 31, 2024 and 2023, receivables classified as other assets were reduced by allowances of $69 million and $71 million, respectively.

Receivables Securitization Facility – The Railroad maintains an $800 million, 3-year receivables securitization facility (the Receivables Facility) maturing in July 2025. Under the Receivables Facility, the Railroad sells most of its eligible third-party receivables to Union Pacific Receivables, Inc. (UPRI), a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in accounts receivable to investors. The investors have no recourse to the Railroad's other assets except for customary warranty and indemnity claims. Creditors of the Railroad do not have recourse to the assets of UPRI.

The amount recorded under the Receivables Facility was $0 at both December 31, 2024 and 2023. During the year ended December 31, 2024, we issued $800 million and repaid $800 million under the Receivables Facility. The Receivables Facility was supported by $1.6 billion and $1.7 billion of accounts receivable as collateral at December 31, 2024 and 2023, respectively, which, as a retained interest, is included in accounts receivable, net in our Consolidated Statements of Financial Position.

The outstanding amount the Railroad maintains under the Receivables Facility may fluctuate based on current cash needs. The maximum allowed under the Receivables Facility is $800 million with availability directly impacted by eligible receivables, business volumes, and credit risks, including receivables payment quality measures such as default and dilution ratios. If default or dilution ratios increase one percent, the allowable outstanding amount under the Receivables Facility would not materially change.

The costs of the Receivables Facility include interest, which will vary based on prevailing benchmark and commercial paper rates, program fees paid to participating banks, commercial paper issuance costs, and fees of participating banks for unused commitment availability. The costs of the Receivables Facility are included in interest expense and were $8 million, $9 million, and $10 million for 2024, 2023, and 2022, respectively.

11. Properties

The following tables list the major categories of property and equipment as well as the weighted-average estimated useful life for each category (in years):

Millions, Except Estimated Useful Life *As of December 31, 2024*	*Cost*	*Accumulated Depreciation*	*Net Book Value*	*Estimated Useful Life*
Land	$ 5,441	N/A	$ 5,441	N/A
Road:				
Rail and other track material	19,283	$ 7,642	11,641	46
Ties	12,358	4,109	8,249	34
Ballast	6,495	2,182	4,313	34
Other roadway [a]	23,913	5,681	18,232	47
Total road	62,049	19,614	42,435	N/A
Equipment:				
Locomotives	9,517	3,724	5,793	18
Freight cars	3,011	1,037	1,974	22
Work equipment and other [b]	1,222	482	740	17
Total equipment	13,750	5,243	8,507	N/A
Technology and other	1,431	640	791	12
Construction in progress	1,169	-	1,169	N/A
Total	$ 83,840	$ 25,497	$ 58,343	N/A

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

[b] For retirements of depreciable railroad properties that do not occur in the normal course of business, a gain or loss may be recognized if the retirement meets each of the following three conditions: (a) is unusual, (b) is material in amount, and (c) varies significantly from the retirement profile identified through our depreciation studies. In the second quarter of 2024, we sold a large portion of an intermodal equipment asset class resulting in a $46 million gain recognized in other expense in our Consolidated Statements of Income.

Millions, Except Estimated Useful Life				
As of December 31, 2023	*Cost*	*Accumulated Depreciation*	*Net Book Value*	*Estimated Useful Life*
Land	$ 5,426	N/A	$ 5,426	N/A
Road:				
Rail and other track material	18,837	$ 7,344	11,493	42
Ties	11,985	3,895	8,090	34
Ballast	6,345	2,061	4,284	34
Other roadway [a]	23,175	5,368	17,807	47
Total road	60,342	18,668	41,674	N/A
Equipment:				
Locomotives	9,295	3,591	5,704	18
Freight cars	2,765	956	1,809	23
Work equipment and other	1,344	546	798	17
Total equipment	13,404	5,093	8,311	N/A
Technology and other	1,388	574	814	12
Construction in progress	1,173	-	1,173	N/A
Total	$ 81,733	$ 24,335	$ 57,398	N/A

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

Property and Depreciation – Our railroad operations are highly capital-intensive, and our large base of homogeneous, network-type assets turns over on a continuous basis. Each year we develop a capital program for the replacement of assets and for the acquisition or construction of assets that enable us to enhance our operations or provide new service offerings to customers. We currently have more than 60 depreciable asset classes, and we may increase or decrease the number of asset classes due to changes in technology, asset strategies, or other factors.

We determine the estimated service lives of depreciable railroad assets by means of depreciation studies. We perform depreciation studies at least every 3 years for equipment and every 6 years for track assets (i.e., rail and other track material, ties, and ballast) and other road property. Our depreciation studies take into account the following factors:

- Statistical analysis of historical patterns of use and retirements of each of our asset classes,
- Evaluation of any expected changes in current operations and the outlook for continued use of the assets,
- Evaluation of technological advances and changes to maintenance practices, and
- Expected salvage to be received upon retirement.

For rail in high-density traffic corridors, we measure estimated service lives in millions of gross tons per mile of track. It has been our experience that the lives of rail in high-density traffic corridors are closely correlated to usage (i.e., the amount of weight carried over the rail). The service lives also vary based on rail weight, rail condition (e.g., new or secondhand), and rail type (e.g., straight or curve). Our depreciation studies for rail in high-density traffic corridors consider each of these factors in determining the estimated service lives. For rail in high-density traffic corridors, we calculate depreciation rates annually by dividing the number of gross ton-miles carried over the rail (i.e., the weight of loaded and empty freight cars, locomotives, and maintenance of way equipment transported over the rail) by the estimated service lives of the rail measured in millions of gross tons per mile. For all other depreciable assets, we compute depreciation based on the estimated service lives of our assets as determined from the analysis of our depreciation studies. Changes in the estimated service lives of our assets and their related depreciation rates are implemented prospectively.

Under the group method of depreciation, the historical cost (net of salvage) of depreciable property that is retired or replaced in the ordinary course of business is charged to accumulated depreciation and no gain or loss is recognized. The historical cost of certain track assets is estimated by multiplying the current replacement cost of track assets by a historical index factor derived from (a) inflation indices published by the Bureau of Labor Statistics and (b) the estimated useful lives of the assets as determined by our depreciation studies. The indices were selected because they closely correlate with the major costs of the properties comprising the applicable track asset classes. Because of the number of estimates inherent in the depreciation and retirement processes and because it is impossible to precisely estimate each of these variables until a group of property is completely retired, we continually monitor the estimated service lives of our assets and the accumulated depreciation associated with each asset class to ensure our depreciation rates are appropriate. In addition, we determine if the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by our depreciation studies. Any

deficiency (or excess) is amortized as a component of depreciation expense over the remaining service lives of the applicable classes of assets.

For retirements of depreciable railroad properties that do not occur in the normal course of business, a gain or loss may be recognized if the retirement meets each of the following three conditions: (a) is unusual, (b) is material in amount, and (c) varies significantly from the retirement profile identified through our depreciation studies. A gain or loss is recognized in other income when we sell land or dispose of assets that are not part of our railroad operations.

In 2024, we sold a large portion of an intermodal equipment asset class resulting in a gain recognized in other expense in our Consolidated Statements of Income. No gains or losses were recognized due to the retirement of depreciable railroad properties in 2023 or 2022.

We review construction in progress assets that have not yet been placed into service, for impairment when events or changes in circumstances indicate that the carrying amount of a long-lived asset or assets may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of construction in progress assets when grouped with other assets and liabilities at the lowest level where identifiable cash flows are largely independent, the carrying value is reduced to the estimated fair value.

When we purchase an asset, we capitalize all costs necessary to make the asset ready for its intended use. However, many of our assets are self-constructed. A large portion of our capital expenditures is for replacement of existing track assets and other road properties, which is typically performed by our employees, and for track line expansion and other capacity projects. Costs that are directly attributable to capital projects (including overhead costs) are capitalized. Direct costs that are capitalized as part of self-constructed assets include material, labor, and work equipment. Indirect costs are capitalized if they clearly relate to the construction of the asset.

Costs incurred that extend the useful life of an asset, improve the safety of our operations, or improve operating efficiency are capitalized, while normal repairs and maintenance are expensed as incurred. Total expense for repairs and maintenance incurred was approximately $2.3 billion for 2024, $2.5 billion for 2023, and $2.4 billion for 2022.

Assets held under finance leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease.

12. Accounts Payable and Other Current Liabilities

Millions		***Dec.31, 2024***		*Dec.31, 2023*
Accounts payable	**$**	**847**	$	856
Compensation-related accruals		**618**		533
Income and other taxes payable		**605**		685
Interest payable		**372**		389
Current operating lease liabilities (Note 16)		**346**		355
Accrued casualty costs		**319**		307
Equipment rents payable		**109**		98
Other		**613**		460
Total accounts payable and other current liabilities	**$**	**3,829**	$	3,683

13. Financial Instruments

Short-Term Investments – All of the Company's short-term investments consist of time deposits and government agency securities. These investments are considered Level 2 investments and are valued at amortized cost, which approximates fair value. As of December 31, 2024 and 2023, the Company had $20 million and $16 million of short-term investments, respectively. All short-term investments have a maturity of less than one year and are classified as held-to-maturity.

Fair Value of Financial Instruments – The fair value of our short- and long-term debt was estimated using a market value price model, which utilizes applicable U.S. Treasury rates along with current market quotes on comparable debt securities. All of the inputs used to determine the fair market value of the Corporation's long-term debt are Level 2 inputs and obtained from an independent source. At December 31, 2024, the fair value of total debt was $25.3 billion, approximately $5.9 billion less

than the carrying value. At December 31, 2023, the fair value of total debt was $28.5 billion, approximately $4.1 billion less than the carrying value. The fair value of the Corporation's debt is a measure of its current value under present market conditions. The fair value of our cash equivalents approximates their carrying value due to the short-term maturities of these instruments.

14. Debt

Total debt as of December 31, 2024 and 2023, is summarized below:

Millions		***2024***		*2023*
Notes and debentures, 2.2% to 7.1% due through February 14, 2072	**$**	**32,044**	$	33,383
Equipment obligations, 2.6% to 6.2% due through January 2, 2031 [a]		**732**		770
Finance leases, 3.1% to 6.8% due through December 10, 2028		**109**		158
Unamortized discount and deferred issuance costs		**(1,693)**		(1,732)
Total debt		**31,192**		32,579
Less: current portion		**(1,425)**		(1,423)
Total long-term debt	**$**	**29,767**	$	31,156

[a] Equipment obligations are secured by an interest in certain railroad equipment with a carrying value of approximately $0.8 billion and $0.9 billion at December 31, 2024 and 2023, respectively.

Debt Maturities – The following table presents aggregate debt maturities as of December 31, 2024, excluding market value adjustments:

Millions		
2025	$	1,426
2026		1,516
2027		1,285
2028		1,235
2029		1,258
Thereafter		26,165
Total principal		32,885
Unamortized discount and deferred issuance costs		(1,693)
Total debt	$	31,192

Credit Facilities – At December 31, 2024, we had $2.0 billion of credit available under our revolving credit facility (the Facility), which is designated for general corporate purposes and supports the issuance of commercial paper. Credit facility withdrawals totaled $0 during 2024. Commitment fees and interest rates payable under the Facility are similar to fees and rates available to comparably rated, investment-grade borrowers. The Facility allows for borrowings at floating rates based on Term Secured Overnight Financing Rate (SOFR), plus a spread, depending upon credit ratings for our senior unsecured debt. The Facility, set to expire May 20, 2027, requires UPC to maintain an adjusted debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortization) coverage ratio.

The definition of debt used for purposes of calculating the adjusted debt-to-EBITDA coverage ratio includes, among other things, certain credit arrangements, finance leases, guarantees, unfunded and vested pension benefits under Title IV of Employee Retirement Income Security Act of 1974 (ERISA), and unamortized debt discount and deferred debt issuance costs. At December 31, 2024, the Company was in compliance with the adjusted debt-to-EBITDA coverage ratio, which allows us to carry up to $46.7 billion of debt (as defined in the Facility), and we had $32.9 billion of debt (as defined in the Facility) outstanding at that date. The Facility does not include any other financial restrictions, credit rating triggers (other than rating-dependent pricing), or any other provision that could require us to post collateral. The Facility also includes a $150 million cross-default provision and a change-of-control provision.

During 2024, we issued $823 million and repaid $823 million of commercial paper with maturities ranging from 13 to 57 days. As of both December 31, 2024 and 2023, we had $0 of commercial paper outstanding. Our revolving credit facility supports our outstanding commercial paper balances, and, unless we change the terms of our commercial paper program, our aggregate issuance of commercial paper will not exceed the amount of borrowings available under the Facility.

Shelf Registration Statement and Significant New Borrowings – We filed an automatic shelf registration statement with the SEC that became effective on February 13, 2024. Under our shelf registration, we may issue, from time to time, any combination of debt securities, preferred stock, common stock, or warrants for debt securities or preferred stock in one or more offerings. The Board of Directors authorized the issuance of up to $9.0 billion of debt securities, replacing the prior Board authorization in February 2022, which had $5.6 billion of authority remaining.

During the year ended December 31, 2024, we did not issue any debt securities under this registration statement. At December 31, 2024, we had remaining authority from the Board of Directors to issue up to $9.0 billion of debt securities under our shelf registration.

Receivables Securitization Facility – As of both December 31, 2024 and 2023, we recorded $0 of borrowings under our Receivables Facility, as secured debt. (See further discussion in the "Receivables Securitization Facility" section of Note 10.)

15. Variable Interest Entities

We have entered into various lease transactions in which the structure of the leases contain variable interest entities (VIEs). These VIEs were created solely for the purpose of doing lease transactions (principally involving railroad equipment and facilities) and have no other activities, assets, or liabilities outside of the lease transactions. Within these lease arrangements, we have the right to purchase some or all of the assets at fixed prices. Depending on market conditions, fixed-price purchase options available in the leases could potentially provide benefits to us; however, these benefits are not expected to be significant.

We maintain and operate the assets based on contractual obligations within the lease arrangements, which set specific guidelines consistent within the railroad industry. As such, we have no control over activities that could materially impact the fair value of the leased assets. We do not hold the power to direct the activities of the VIEs and, therefore, do not control the ongoing activities that have a significant impact on the economic performance of the VIEs. Additionally, we do not have the obligation to absorb losses of the VIEs or the right to receive benefits of the VIEs that could potentially be significant to the VIEs.

We are not considered to be the primary beneficiary and do not consolidate these VIEs because our actions and decisions do not have the most significant effect on the VIE's performance and our fixed-price purchase options are not considered to be potentially significant to the VIEs. The future minimum lease payments associated with the VIE leases totaled $609 million as of December 31, 2024, and are recorded as operating lease liabilities at present value in our Consolidated Statements of Financial Position.

16. Leases

We lease certain locomotives, freight cars, and other property for use in our rail operations.

The following are additional details related to our lease portfolio:

Millions	*Classification*		***Dec 31, 2024***		*Dec 31, 2023*
Assets					
Operating leases	Operating lease assets	**$**	**1,297**	$	1,643
Finance leases	Properties, net [a]		**172**		244
Total leased assets		**$**	**1,469**	$	1,887
Liabilities					
Current					
Operating	Accounts payable and other current liabilities	**$**	**346**	$	355
Finance	Debt due within one year		**37**		49
Noncurrent					
Operating	Operating lease liabilities		**925**		1,245
Finance	Debt due after one year		**72**		109
Total lease liabilities		**$**	**1,380**	$	1,758

[a] Finance lease assets are recorded net of accumulated amortization of $472 million and $497 million as of December 31, 2024 and 2023, respectively.

The lease cost components are classified as follows:

Millions		**Dec 31, 2024**		Dec 31, 2023
Operating lease cost [a]	**$**	**340**	$	369
Short-term lease cost		**24**		24
Variable lease cost		**37**		41
Finance lease cost				
Amortization of leased assets [b]		**31**		38
Interest on lease liabilities [c]		**5**		8
Net lease cost	**$**	**437**	$	480

[a] Operating lease cost is primarily reported in equipment and other rents in our Consolidated Statements of Income.
[b] Amortization of leased assets is reported in depreciation in our Consolidated Statements of Income.
[c] Interest on lease liabilities is reported in interest expense in our Consolidated Statements of Income.

The following table presents aggregate lease maturities as of December 31, 2024:

Millions		*Operating Leases*		*Finance Leases*		*Total*
2025	$	352	$	42	$	394
2026		281		35		316
2027		227		30		257
2028		200		11		211
2029		128		-		128
After 2029		213		-		213
Total lease payments	$	1,401	$	118	$	1,519
Less: Interest		130		9		139
Present value of lease liabilities	$	1,271	$	109	$	1,380

The following table presents the weighted average remaining lease term and discount rate:

	Dec 31, 2024
Weighted-average remaining lease term (years)	
Operating leases	5.4
Finance leases	2.8
Weighted-average discount rate (%)	
Operating leases	3.8
Finance leases	4.4

The following table presents other information related to our operating and finance leases for the years ended December 31:

Millions		***2024***		*2023*
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	**$**	**319**	$	323
Investing cash flows from operating leases		**32**		33
Operating cash flows from finance leases		**6**		9
Financing cash flows from finance leases		**47**		65
Leased assets obtained in exchange for operating lease liabilities	**$**	**119**	$	241

17. Commitments and Contingencies

Asserted and Unasserted Claims – Various claims and lawsuits are pending against us and certain of our subsidiaries. We cannot fully determine the effect of all asserted and unasserted claims on our consolidated results of operations, financial condition, or liquidity. We have recorded a liability where asserted and unasserted claims are considered probable and where such claims can be reasonably estimated. We currently do not expect that any known lawsuits, claims, environmental costs, commitments, contingent liabilities, or guarantees will have a material adverse effect on our consolidated results of operations, financial condition, or liquidity after taking into account liabilities and insurance recoveries previously recorded for these matters.

In December 2019, we received a putative class action complaint under the Illinois Biometric Information Privacy Act, alleging violation due to the use of a finger scan system developed and managed by third parties. While we believe that we have strong defenses to the claims made in the complaint and will vigorously defend ourselves, there is no assurance regarding the ultimate outcome. The outcome of this litigation is inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from this matter.

Personal Injury – The Federal Employers' Liability Act (FELA) governs compensation for work-related accidents. Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to settle these claims may range from approximately $379 million to $495 million. We record an accrual at the low end of the range as no amount of loss within the range is more probable than any other. Estimates can vary over time due to evolving trends in litigation.

Our personal injury liability activity was as follows:

Millions		***2024***	*2023*	*2022*
Beginning balance	**$**	**383**	$ 361	$ 325
Current year accruals		**121**	112	107
Changes in estimates for prior years		**(14)**	89	55
Payments		**(111)**	(179)	(126)
Ending balance at December 31	**$**	**379**	$ 383	$ 361
Current portion, ending balance at December 31	**$**	**106**	$ 113	$ 84

Environmental Costs – We are subject to federal, state, and local environmental laws and regulations. We have identified 352 sites where we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 31 sites that are the subject of actions taken by the U.S. government, including 19 that are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

Our environmental liability activity was as follows:

Millions		***2024***	*2023*	2022
Beginning balance	**$**	**245**	$ 253	$ 243
Accruals		**129**	99	84
Payments		**(106)**	(107)	(74)
Ending balance at December 31	**$**	**268**	$ 245	$ 253
Current portion, ending balance at December 31	**$**	**83**	$ 91	$ 67

The environmental liability includes future costs for remediation and restoration of sites, as well as ongoing monitoring costs, but excludes any anticipated recoveries from third parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws, and regulations. The ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs. Estimates of liability

may vary over time due to changes in federal, state, and local laws governing environmental remediation. Current obligations are not expected to have a material adverse effect on our consolidated results of operations, financial condition, or liquidity.

Indemnities – Our maximum potential exposure under indemnification arrangements, including certain tax indemnifications, can range from a specified dollar amount to an unlimited amount, depending on the nature of the transactions and the agreements. Due to uncertainty as to whether claims will be made or how they will be resolved, we cannot reasonably determine the probability of an adverse claim or reasonably estimate any adverse liability or the total maximum exposure under these indemnification arrangements. We do not have any reason to believe that we will be required to make any material payments under these indemnity provisions.

18. Share Repurchase Programs

Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. As of December 31, 2024, we repurchased a total of 25.9 million shares of our common stock under the 2022 authorization. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

The table below represents shares repurchased under repurchase programs during 2024 and 2023:

	Number of Shares Purchased		*Average Price Paid*	
	2024	*2023*	***2024***	*2023*
First quarter	**-**	2,908,703	**$ -**	$ 203.19
Second quarter	**492,320**	606,581	**225.96**	199.81
Third quarter	**3,006,061**	-	**245.44**	-
Fourth quarter	**2,804,785**	-	**237.43**	-
Total	**6,303,166**	3,515,284	**$ 240.35**	$ 202.61
Remaining number of shares that may be repurchased under current authority				74,088,861

Management's assessments of market conditions and other pertinent factors guide the timing, manner, and volume of all repurchases. We expect to fund any share repurchases under this program through cash generated from operations, the sale or lease of various operating and non-operating properties, debt issuances, and cash on hand. Open market repurchases are recorded in treasury stock at cost, which includes any applicable commissions, fees, and excise taxes.

On February 6, 2025, the Board of Directors approved a new share repurchase authorization, enabling the Company to buy up to 100 million shares of its common stock by March 31, 2028. The new authorization is effective April 1, 2025, and replaces the current authorization, which will expire on March 31, 2025.

19. Related Parties

UPRR and other North American railroad companies jointly own TTX Company (TTX). UPRR has a 37.03% economic interest in TTX while the other North American railroads own the remaining interest. In accordance with ASC 323 *Investments - Equity Method and Joint Venture*, UPRR applies the equity method of accounting to our investment in TTX.

TTX is a rail car pooling company that owns rail cars and intermodal wells to serve North America's railroads. TTX assists railroads in meeting the needs of their customers by providing rail cars in an efficient, pooled environment. All railroads may utilize TTX rail cars through car hire by renting rail cars at stated rates.

UPRR had $1.9 billion and $1.8 billion recognized as investments related to TTX in our Consolidated Statements of Financial Position as of December 31, 2024 and 2023, respectively. TTX car hire expense of $432 million in 2024, $399 million in 2023, and $402 million in 2022 are included in equipment and other rents in our Consolidated Statements of Income. In addition, UPRR had accounts payable to TTX of $70 million and $60 million at December 31, 2024 and 2023, respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer (CEO) and Executive Vice President and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of the end of the period covered by this report, the Corporation's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Additionally, the CEO and CFO determined that there were no changes to the Corporation's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Union Pacific Corporation and Subsidiary Companies (the Corporation) is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). The Corporation's internal control system was designed to provide reasonable assurance to the Corporation's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Corporation's management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013)*. Based on our assessment, management believes that, as of December 31, 2024, the Corporation's internal control over financial reporting is effective based on those criteria.

The Corporation's independent registered public accounting firm has issued an attestation report on the effectiveness of the Corporation's internal control over financial reporting. This report appears on the next page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Union Pacific Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Union Pacific Corporation and Subsidiary Companies (the "Corporation") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Corporation and our report dated February 7, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Omaha, Nebraska
February 7, 2025

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

(a) Directors of Registrant.

Information as to the names, ages, positions, and offices with UPC, terms of office, periods of service, business experience during the past five years, and certain other directorships held by each director or person nominated to become a director of UPC is set forth in the Election of Directors segment of the Proxy Statement and is incorporated herein by reference.

Information concerning our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is set forth in the Audit Committee segment of the Proxy Statement and is incorporated herein by reference.

(b) Executive Officers of Registrant.

Information concerning the executive officers of UPC and its subsidiaries is presented in Part I of this report under Information About Our Executive Officers and Principal Executive Officers of Our Subsidiaries.

(c) Delinquent Section 16(a) Reports.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth in the Delinquent Section 16(a) Reports segment of the Proxy Statement and is incorporated herein by reference.

(d) Code of Ethics for Chief Executive Officer and Senior Financial Officers of Registrant.

The Board of Directors of UPC has adopted the UPC Code of Ethics for the Chief Executive Officer and Senior Financial Officers (the Code). A copy of the Code may be found on the Internet at our website https://investor.unionpacific.com/governance/governance-overview. We intend to disclose any amendments to the Code or any waiver from a provision of the Code on our website.

(e) Insider Trading Arrangements and Policies.

Information concerning UPC's Confidentiality and Insider Trading Policy is set forth in the Insider Trading Arrangements and Policies segment of the Proxy Statement and is incorporated herein by reference. UPC's Confidentiality and Insider Trading Policy is included as an exhibit to this report.

Item 11. Executive Compensation

Information concerning compensation received by our directors and our named executive officers is presented in the Compensation Discussion and Analysis, Summary Compensation Table, Grants of Plan-Based Awards in Fiscal Year 2024, Outstanding Equity Awards at 2024 Fiscal Year-End, Option Exercises and Stock Vested in Fiscal Year 2024, Pension Benefits at 2024 Fiscal Year-End, Nonqualified Deferred Compensation at 2024 Fiscal Year-End, Potential Payments Upon Termination or Change in Control and Director Compensation in Fiscal Year 2024 segments of the Proxy Statement and is incorporated herein by reference. Additional information regarding compensation of directors, including Board committee members, is set forth in the By-Laws of UPC and the Stock Unit Grant and Deferred Compensation Plan for the Board of Directors, both of which are included as exhibits to this report. Information regarding the Compensation and Talent Committee is set forth in the Compensation Committee segment of the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information as to the number of shares of our equity securities beneficially owned by each of our directors and nominees for director, our named executive officers, our directors and executive officers as a group, and certain beneficial owners is set forth in the Security Ownership of Certain Beneficial Owners and Management segment of the Proxy Statement and is incorporated herein by reference.

The following table summarizes the equity compensation plans under which UPC common stock may be issued as of December 31, 2024:

	(a)	*(b)*	*(c)*
Plan Category	*Number of securities to be issued upon exercise of outstanding options, warrants and rights*	*Weighted-average exercise price of outstanding options, warrants and rights*	*Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))*
Equity compensation plans approved by security holders	2,330,352 [1]	$ 195.83 [1]	31,063,392 [2]
Total	2,330,352	$ 195.83	31,063,392

[1] Includes 348,929 retention units that do not have an exercise price. Does not include 885,600 retention shares that have been issued and are outstanding.
[2] Does not include the retention units or retention shares described above in footnote [1].

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information on related transactions is set forth in the Related Party Policy and Procedures segment of the Proxy Statement and is incorporated herein by reference. We do not have any relationship with any outside third-party that would enable such a party to negotiate terms of a material transaction that may not be available to, or available from, other parties on an arm's-length basis.

Information regarding the independence of our directors is set forth in the Director Independence segment of the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information concerning the fees billed by our independent registered public accounting firm and the nature of services comprising the fees for each of the two most recent fiscal years in each of the following categories: (a) audit fees, (b) audit-related fees, (c) tax fees, and (d) all other fees, is set forth in the Independent Registered Public Accounting Firm's Fees and Services segment of the Proxy Statement and is incorporated herein by reference.

Information concerning our Audit Committee's policies and procedures pertaining to pre-approval of audit and non-audit services rendered by our independent registered public accounting firm is set forth in the Pre-approval of Audit and Non-Audit Services Policy segment of the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Financial Statements, Financial Statement Schedules, and Exhibits:

(1) Financial Statements

The financial statements filed as part of this filing are listed on the index to the Financial Statements and Supplementary Data, Item 8, on page 38.

(2) Financial Statement Schedules

Schedules have been omitted because they are not applicable or not required or the information required to be set forth therein is included in the Financial Statements and Supplementary Data, Item 8, or notes thereto.

(3) Exhibits

Exhibits are listed in the exhibit index beginning on page 73. The exhibits include management contracts, compensatory plans and arrangements required to be filed as exhibits to the Form 10-K by Item 601 (10) (iii) of Regulation S-K.

UNION PACIFIC CORPORATION
Exhibit Index

Exhibit No.	Description
Filed with this Statement	
10(a)†	Form of Performance Stock Unit Agreement dated February 6, 2025.
10(b)†	Form of Non-Qualified Stock Option Agreement for Executives dated February 6, 2025.
19	Union Pacific Corporation Confidentiality and Insider Trading Policy dated October 1, 2024.
21	List of the Corporation's significant subsidiaries and their respective states of incorporation.
23	Independent Registered Public Accounting Firm's Consent.
24	Powers of attorney executed by the directors of UPC.
31(a)	Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - V. James Vena.
31(b)	Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Jennifer L. Hamann.
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - V. James Vena and Jennifer L. Hamann.
101	The following financial and related information from Union Pacific Corporation's Annual Report on Form 10-K for the year ended December 31, 2024 (filed with the SEC on February 7, 2025), formatted in Inline Extensible Business Reporting Language (iXBRL) includes (a) Consolidated Statements of Income for the years ended December 31, 2024, 2023, and 2022, (b) Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023, and 2022, (c) Consolidated Statements of Financial Position at December 31, 2024 and 2023, (d) Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022, (e) Consolidated Statements of Changes in Common Shareholders' Equity for the years ended December 31, 2024, 2023, and 2022, and (f) the Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File, formatted in Inline XBRL (contained in Exhibit 101).
Incorporated by Reference	
3(a)	Restated Articles of Incorporation of UPC, as amended and restated through June 27, 2011, and as further amended May 15, 2014, are incorporated herein by reference to Exhibit 3(a) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
3(b)	By-Laws of UPC, as amended, effective November 19, 2015, are incorporated herein by reference to Exhibit 3.2 to the Corporation's Current Report on Form 8-K dated November 19, 2015.
4(a)	Description of securities registered under Section 12 of the Exchange Act is incorporated herein by reference to Exhibit 4(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.

4(b)	Indenture, dated as of December 20, 1996, between UPC and Wells Fargo Bank, National Association, as successor to Citibank, N.A., as Trustee, is incorporated herein by reference to Exhibit 4.1 to UPC's Registration Statement on Form S-3 (No. 333-18345).
4(c)	Indenture, dated as of April 1, 1999, between UPC and The Bank of New York, as successor to JP Morgan Chase Bank, formerly The Chase Manhattan Bank, as Trustee, is incorporated herein by reference to Exhibit 4.2 to UPC's Registration Statement on Form S-3 (No. 333-75989).
	Certain instruments evidencing long-term indebtedness of UPC are not filed as exhibits because the total amount of securities authorized under any single such instrument does not exceed 10% of the Corporation's total consolidated assets. UPC agrees to furnish the Commission with a copy of any such instrument upon request by the Commission.
10(c)†	Transition and Separation Agreement between the Corporation, the Railroad and Lance M. Fritz dated August 11, 2023, is incorporated by reference to Exhibit 10.1 to the Corporation's Current Report on Form 8-K dated August 11, 2023.
10(d)†	Union Pacific Corporation Key Employee Continuity Plan, as amended December 10, 2021, is incorporated herein by reference to Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2021.
10(e)†	Supplemental Thrift Plan (409A Grandfathered Component) of Union Pacific Corporation, effective as of January 1, 2009, including all amendments adopted through August 1, 2024, is incorporated herein by reference to Exhibit 10(a) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(f)†	Supplemental Thrift Plan (409A Non-Grandfathered Component) of Union Pacific Corporation, effective as of January 1, 2009, including all amendments adopted through August 1, 2024, is incorporated herein by reference to Exhibit 10(b) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(g)†	Supplemental Pension Plan for Officers and Managers (409A Grandfathered Component) of Union Pacific Corporation and Affiliates, as amended and restated in its entirety effective January 1, 1989, including all amendments adopted through August 1, 2024, is incorporated herein by reference to Exhibit 10(c) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(h)†	Supplemental Pension Plan or Officers and Managers (409A Non-Grandfathered Component) of Union Pacific Corporation and Affiliates, as amended and restated in its entirety effective January 1, 1989, including all amendments adopted through August 1, 2024, is incorporated by reference to Exhibit 10(d) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(i)†	Deferred Compensation Plan (409A Grandfathered Component) of Union Pacific Corporation, originally effective as of January 1, 2009, as amended and restated including amendments adopted through August 1, 2024, is incorporated herein by reference to Exhibit 10(e) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(j)†	Deferred Compensation Plan (409A Non-Grandfathered Component) of Union Pacific Corporation, originally effective as of January 1, 2009, as amended and restated including amendments adopted through August 1, 2024, is incorporated herein by reference to Exhibit 10(f) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
10(k)†	Union Pacific Corporation 2000 Directors Plan, effective as of April 21, 2000, as amended November 16, 2006, January 30, 2007 and January 1, 2009 is incorporated herein by reference to Exhibit 10(j) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.
10(l)†	Union Pacific Corporation Stock Unit Grant and Deferred Compensation Plan for the Board of Directors (409A Non-Grandfathered Component), effective as of January 1, 2009 is incorporated herein by reference to Exhibit 10(k) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.

10(m)†	Union Pacific Corporation Stock Unit Grant and Deferred Compensation Plan for the Board of Directors (409A Grandfathered Component), as amended and restated in its entirety, effective as of January 1, 2009 is incorporated herein by reference to Exhibit 10(l) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.
10(n)†	Union Pacific Corporation 2013 Stock Incentive Plan, effective May 16, 2013, as amended effective as of January 1, 2020 is incorporated herein by reference to Exhibit 10(d) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.
10(o)†	Union Pacific Corporation Executive Incentive Plan, effective May 5, 2005, amended and restated effective January 1, 2020 is incorporated herein by reference to Exhibit 10(e) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.
10(p)†	Union Pacific Corporation 2021 Stock Incentive Plan, effective as of May 13, 2021 is incorporated by reference to Exhibit 99.1 to the Corporation's Form S-8 dated May 25, 2021.
10(q)	Amended and Restated Registration Rights Agreement, dated as of July 12, 1996, among UPC, UP Holding Company, Inc., Union Pacific Merger Co. and Southern Pacific Rail Corporation (SP) is incorporated herein by reference to Annex J to the Joint Proxy Statement/Prospectus included in Post-Effective Amendment No. 2 to UPC's Registration Statement on Form S-4 (No. 33-64707).
10(r)	Agreement, dated September 25, 1995, among UPC, UPRR, Missouri Pacific Railroad Company (MPRR), SP, Southern Pacific Transportation Company (SPT), The Denver & Rio Grande Western Railroad Company (D&RGW), St. Louis Southwestern Railway Company (SLSRC) and SPCSL Corp. (SPCSL), on the one hand, and Burlington Northern Railroad Company (BN) and The Atchison, Topeka and Santa Fe Railway Company (Santa Fe), on the other hand, is incorporated by reference to Exhibit 10.11 to UPC's Registration Statement on Form S-4 (No. 33-64707).
10(s)	Supplemental Agreement, dated November 18, 1995, between UPC, UPRR, MPRR, SP, SPT, D&RGW, SLSRC and SPCSL, on the one hand, and BN and Santa Fe, on the other hand, is incorporated herein by reference to Exhibit 10.12 to UPC's Registration Statement on Form S-4 (No. 33-64707).
10(t)†	Form of Non-Qualified Stock Option Agreement for Executives is incorporated herein by reference to Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2013.
10(u)†	Form of 2022 Long Term Plan Performance Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2021.
10(v)†	Form of 2023 Long Term Plan Performance Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2022.
10(w)†	Form of 2024 Long Term Plan Performance Stock Unit Agreement is incorporated herein by reference to Exhibit 10(a) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023.
10(x)†	Executive Incentive Plan (2005) - Deferred Compensation Program, dated December 21, 2005 is incorporated herein by reference to Exhibit 10(g) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.
97	Union Pacific Corporation Policy for Recoupment of Certain Compensation, amended and restated effective October 2, 2023, is incorporated by reference to Exhibit 10(a) to the Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.

† Indicates a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 7th day of February, 2025.

UNION PACIFIC CORPORATION

By /s/ V. James Vena
V. James Vena,
Chief Executive Officer
Union Pacific Corporation

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this 7th day of February, 2025, by the following persons on behalf of the registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER
AND DIRECTOR:

By /s/ V. James Vena
V. James Vena,
Chief Executive Officer
Union Pacific Corporation

PRINCIPAL FINANCIAL OFFICER:

By /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER:

By /s/ Todd M. Rynaski
Todd M. Rynaski,
Senior Vice President and
Chief Accounting, Risk, and
Compliance Officer

DIRECTORS:

William J. DeLaney*
David B. Dillon*
Sheri H. Edison*
Teresa M. Finley*
Deborah C. Hopkins*
Jane H. Lute*
Michael R. McCarthy*
Doyle R. Simons*
John K. Tien, Jr.*
John P. Wiehoff*
Christopher J. Williams*

* By /s/ Craig V. Richardson
Craig V. Richardson, Attorney-in-fact

Exhibit 10(a)

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
PERFORMANCE STOCK UNITS

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the number of Stock Units specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan"), the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and described in this Grant Notice, and the Union Pacific Corporation Long Term Plan (the "Long Term Plan") approved and adopted by the Compensation and Benefits Committee of the Company's Board of Directors (the "Committee"), and the Policy for Recoupment of Certain Compensation, each as amended from time to time. In addition, if you become eligible for and entitled to severance benefits under a broad based severance pay policy of the Company that include waiver of the continuous employment requirement applicable to the Stock Units (the "Severance Policy"), the Award also shall be subject to the terms of such Severance Policy.

Each Stock Unit subject to this Award represents the right to receive one share of the Company's common stock, par value $2.50 (the "Common Stock"), subject to the conditions set forth in this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan. This Award is granted pursuant to the Plan and the Long Term Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:	
Grant Date:	February 7, 2025
Grant Number:	
Target Number of Stock Units subject to the Award: **The maximum number of stock units subject to the award is two times the amount shown.** The participant is eligible to receive up to the maximum number of stock units in accordance with the program design in the Long Term Plan Summary. The actual number of shares paid, if any, depends on the achievement level of the applicable performance criteria.	
Restriction Period:	3 years
Restriction Period Commencement Date:	February 7, 2025
Restriction Period Termination Date:	February 7, 2028

By electronically accepting this Award, you acknowledge that you have received and read, and agree that this Award shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions, and the Long Term Plan (including, but not limited to, the Committee's discretionary authority under the Long Term Plan to determine the number of Stock Units payable with respect to the Award) and, if applicable, the Severance Policy (including, but not limited to, the Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of Certain Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Stock Units via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL ***FORFEIT*** THE PERFORMANCE STOCK UNITS THAT ARE THE SUBJECT OF THIS AWARD.

UNION PACIFIC CORPORATION
STANDARD TERMS AND CONDITIONS FOR
PERFORMANCE STOCK UNITS

These Standard Terms and Conditions apply to the Award of performance stock units granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the performance stock units shall be subject to the terms of the Plan and the Long-Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of Certain Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary for which you are or have been employed. Additionally, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to the Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the Award and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of the Award:

PERFORMANCE STOCK UNITS

1. TERMS OF PERFORMANCE STOCK UNITS

Union Pacific Corporation, a Utah corporation (the "Company"), has granted to you an award of a target number of performance stock units that may be earned at between 0% and 200% of the specified target level (the "Award" or the "Stock Units") specified in the Grant Notice. Each Stock Unit represents the right to receive (i) one share of the Company's common stock, $2.50 par value per share (the "Common Stock") and (ii) a payment in cash equal to the amount of dividends that would have been payable on one share of Common Stock had you owned such Common Stock from the Grant Date specified in the Grant Notice through the payment date for such Stock Units ("Dividend Equivalent Payments"), in each case to the extent that the applicable Performance Criteria described below have been satisfied. The Award is subject to the terms and conditions set forth in the Grant Notice, these Standard Terms and Conditions, the Plan, the Long Term Plan and, if applicable, the Severance Policy and the Policy for Recoupment of Certain Compensation, each as amended.

2. VESTING OF PERFORMANCE STOCK UNITS

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable until the end of the Restriction Period as set forth in the Grant Notice (the "Restriction Period Termination Date"), unless otherwise provided under these Standard Terms and Conditions and, for the avoidance of doubt, specifically subject to Section 3 hereof. After the end of the Restriction Period, subject to your continued employment with the Company through the Restriction Period Termination Date and to termination or acceleration as provided in these Standard Terms and Conditions, the Plan, the Long Term Plan and, if applicable, the Severance Policy, and to the extent certified by the Committee as described below, the Award (including related Dividend Equivalent Payments) shall become vested as of the Restriction Period Termination Date with respect to that number of Stock Units determined by the Committee to be paid pursuant to the Award. Unless the Committee shall determine otherwise, any period of time in which you are on a leave of absence during the Restriction Period in accordance with a leave of absence policy adopted by the Company shall count toward satisfaction of the Restriction Period.

3. PERFORMANCE CRITERIA

The "Performance Criteria" are average annual Return on Invested Capital ("ROIC") and relative Operating Income Growth ("OIG"). The definition and calculation of annual ROIC and relative OIG shall be determined in accordance with the Long-Term Plan.

You may earn Stock Units at the conclusion of the Restriction Period (or such earlier time as may be provided in Section 6) based on the Company's satisfaction of the Performance Criteria in accordance with the ROIC targets and payout schedule and the relative OIG targets and payout schedule approved by the Committee, as determined and certified by the Committee (or the Committee's delegate) in its sole discretion (the "Certification Date"). To the extent certified by the Committee, you may earn up to two times the Stock Unit Target Award as shown on the Grant Notice based on the average of all three fiscal years (2025, 2026 and 2027) of ROIC performance achieved and the Company's relative OIG percentile ranking (which is based on the Company's OIG performance over the three fiscal year period as compared to the OIG performance over that period of the constituent companies of the S&P 100 Industrials Index and Class I Railroads as set forth in the Long Term Plan), as determined and certified by the Committee (or the Committee's delegate) in its sole discretion. Notwithstanding the foregoing, the Committee retains the discretion under the Long-Term Plan to determine the number of Stock Units payable with respect to your Award.

4. DIVIDEND EQUIVALENT PAYMENTS

You are not entitled to receive cash dividends on the Stock Units, but will receive Dividend Equivalent Payments in an amount equal to the value of the cash dividends that would have been paid (based on the record date for such dividends) on the number of shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria as if such shares had been outstanding between the Grant Date and the payment date of such shares of Common Stock. Dividend Equivalent Payments shall not be adjusted for interest, earnings or assumed reinvestment. Except as provided in the immediately following paragraph, Dividend Equivalent Payments shall be paid to you at the time the earned shares of Common Stock to which those Dividend Equivalent Payments relate are delivered (or would be delivered in the absence of a deferral election made by you as described in Section 6(vii)) under Section 6(i) – (vi), as applicable. Distribution of Dividend Equivalent Payments shall be subject to the Company's collection of all tax withholding obligations applicable to such distribution. No Dividend Equivalent Payment shall be paid or distributed on Stock Units (or shares underlying the Stock Units) that are forfeited or that otherwise do not vest and are not issued or issuable under the Award.

If you have elected to defer receipt of earned Stock Units in accordance with the terms of the Deferred Compensation Plan of Union Pacific Corporation (the "Deferred Compensation Plan"), Dividend Equivalent Payments with respect to such earned and deferred Stock Units which relate to dividends paid on and after the date of the deferral of such Stock Units (i.e., the date that the Stock Units would have been payable to you under the Plan had such Stock Units not been deferred under the Company's Deferred Compensation Plan) shall be credited as part of the Award Account (as defined in the Deferred Compensation Plan) under the Company's Deferred Compensation Plan, and shall be deferred for payment at the same time as the Award Account is paid under the terms of the Company's Deferred Compensation Plan.

Notwithstanding the foregoing, the Company may delay payment of a Dividend Equivalent Payment as described in Section 6(viii) hereof.

5. RESTRICTIONS

Unless provided otherwise by the Committee, the following restrictions apply to the Stock Units:

(i) You shall be entitled to delivery of the shares of Common Stock underlying the Stock Units only as specified in Section 6 hereof;

(ii) All of the Stock Units shall be forfeited and all of your rights to such Stock Units and the right to receive Common Stock (and related Dividend Equivalent Payments) shall terminate without further obligation on the part of the Company in the event of your Separation from Service with the Company without having a right to delivery of shares of Common Stock under Section 6 hereof; and

(iii) Any Stock Units not earned as of the Restriction Period Termination Date shall be forfeited and all of your rights to such Stock Units, including any Dividend Equivalent Payments, shall terminate without further obligation on the part of the Company.

6. ACCELERATION/LAPSE OF RESTRICTION PERIOD

Unless determined otherwise by the Committee and subject to Sections 6(vii) and 6(viii) hereof, the Stock Units shall be treated as follows:

(i) Following the end of the Restriction Period and provided you have remained continuously employed by the Company through the Restriction Period Termination Date and absent any Change of Control before the Restriction Period Termination Date in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the achievement of the applicable Performance Criteria shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(i) shall be made to you within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date.

(ii) If you: (A) have a Separation from Service with the Company due to (1) death, or (2) Retirement (as such term is defined below in this Section 6(ii)); or (B) are determined to be disabled under the provisions of an applicable long-term disability plan of the Company ("Disability") (each a "Lapse Event"), prior to the Restriction Period Termination Date and prior to a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units, you, your estate or your beneficiary, as applicable (each a "Payee"), shall be entitled to receive shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on the average of all three fiscal years (2025, 2026 and 2027) of the applicable ROIC and relative OIG performance achieved. The payment of the Stock Units earned under this Section 6(ii) shall be made within thirty (30) days of the Restriction Period Termination Date, but in no event later than the last day of the calendar year that includes the Restriction Period Termination Date. The Stock Units paid in accordance with this Section 6(ii) remain subject to the covenants contained in these Standard Terms and Conditions. If you have a Lapse Event and subsequently return to employment with the Company before the end of the Restriction Period, you will not be eligible to earn additional Stock Units beyond those described in this Section 6(ii). "Retirement" shall mean your Separation from Service occurring on or after both December 31, 2025 and your attainment of one of the following: (i) age 55 with at least 10 years of vesting service; (ii) age 60 with at least 5 years of vesting service; or (iii) age 65. For this purpose, vesting service shall be calculated by applying the rules for determining "Vesting Service" under the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates ("UPC Pension Plan"), regardless of whether you were ever a participant in the UPC Pension Plan.

(iii) If there is a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units and such Change in Control occurs prior to both your Separation from Service for any reason and the Restriction Period Termination Date, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through

your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. No additional Stock Units granted as part of the Award may be earned following the Change in Control. Shares of Common Stock to which you are entitled pursuant to this Section 6(iii) shall be delivered as soon as administratively practicable following the date on which the Change in Control occurs, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Change in Control occurs.

(iv) Except as provided in Section 6(v) hereof, if you have a Separation from Service with the Company prior to both you having satisfied the age and service criteria for Retirement and the Restriction Period Termination Date and, as a result of such Separation from Service, you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include waiver of the continuous employment requirement applicable to the Stock Units, shares of Common Stock equal to the number or portion of the Stock Units determined under such Severance Policy, which are earned (as determined by the Committee) based on achievement of the Performance Criteria through the end of the fiscal year 2025, 2026 or 2027 (or portion thereof), as established under the Severance Policy, and for which the continuous employment requirement has been waived under the Severance Policy shall be delivered to you (through your account at the Company's third party stock plan administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(iv) shall be made at the time designated under the Severance Policy, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(v) If you have not satisfied the age and service criteria for Retirement and have a Separation from Service prior to the Restriction Period Termination Date because your employment is involuntarily terminated by the Company (other than a termination as a result of your Disability, cause or gross misconduct as determined by the Committee), within twenty-four (24) months following a Change in Control, shares of Common Stock equal to the number of Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of each fiscal year ending prior to the occurrence of such Change in Control and through the end of the most recent fiscal quarter ending prior to the date of the Change in Control shall be delivered to you (through your account at the Company's third party administrator, if applicable) free of all restrictions except subject to the covenants contained in these Standard Terms and Conditions. The payment of the Stock Units under this Section 6(v) shall be made as soon as administratively practicable following your Separation from Service, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which the Separation from Service occurs.

(vi) Except as otherwise provided in this Section 6, all of the Stock Units shall be forfeited and all of your rights to such Stock Units shall terminate without further obligation on the part of the Company unless you remain in the continuous employment of the Company (such continuous employment shall, for this purpose, include a period of time during which you are absent from active employment in accordance with a leave of absence policy adopted by the Company) until the earlier of the Restriction Period Termination Date or a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue the outstanding Stock Units. Notwithstanding the foregoing, the Committee may, if it finds that the circumstances in the particular case so warrant and subject to your satisfaction of any conditions the Company may require, allow you, even if you cease to be so continuously employed and have a Separation from Service prior to the earlier of the Restriction Period Termination Date or such Change in Control, to vest in some or all of the Stock Units which are earned (as determined by the Committee) based on achievement of the applicable Performance Criteria through the end of the fiscal year ending prior to the year in which such Separation from Service occurs. In such event, the payment of the Stock Units under this Section 6(vi) shall be made as soon as administratively practicable following the date on which the Committee authorizes such payment, but in no event later than two and one-half (2½) months following the end of the calendar year that includes the date on which your Separation from Service occurs. The Stock Units paid in accordance with this Section 6(vi) remain subject to the covenants contained in these Standard Terms and Conditions.

(vii) Notwithstanding the foregoing, you may elect to defer receipt of payment of shares underlying the Stock Units to the extent and according to the terms, if any, provided by the Deferred Compensation Plan. If you so elect to defer payment of shares underlying the Stock Units, such payments will be made in accordance with the Deferred Compensation Plan and with any payments of Dividend Equivalent Payments made in accordance with the provisions of Section 4.

(viii) Notwithstanding the foregoing, the Company shall not be obligated to deliver any shares of Common Stock during any period when the Company determines that the delivery of shares hereunder would violate any federal, state or other applicable laws and/or may issue shares subject to any restrictive legend that, as determined by the Company's counsel, is necessary to comply with securities or other regulatory requirements. Furthermore, the date on which shares are delivered to you (and any Dividend Equivalent Payment thereon) may include a delay to provide the Company such time as it determines appropriate to calculate and certify the extent to which the Performance Criteria were satisfied and to calculate and address tax withholding and/or other administrative matters; provided, however, that delivery of shares of Common Stock underlying the Stock Units (including any Dividend Equivalent Payments) for Stock Units that are determined to be exempt from the requirements of Internal Revenue Code § 409A shall in all events be made at a time that satisfies the "short-term deferral" exception described in Treas. Reg. section 1.409A-1(b)(4) and for Stock Units subject to Internal Revenue Code section 409A shall in all events be made at a time that satisfies Treas. Reg. 1.409A-2(b)(7).

7. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not being known to the general public or to others who could obtain economic value from its disclosure or use, as to which the Company takes reasonable efforts to protect its secrecy of ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you did have, currently have, and/or in the future will have developed, obtained, and/or been given access to the Company's Confidential Information or Trade Secrets. By way of example only, the Company's Confidential Information or Trade Secrets may include, but are not limited to: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would be a material violation of this Agreement, would constitute gross misconduct, and would cause irreparable harm to the Company.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the "Sr. HR Officer"), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets.

D. PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section (G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company's Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of two (2) years after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E. NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact or about whom you received Confidential Information during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section (G).

F. NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, without prior written consent of the Sr. HR Officer.

G. NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia, except as set forth in Section H.

Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section (G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H. SPECIFIC STATE LAW LIMITATIONS

This Section 7 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraphs above apply to you in full.

(i) For employees based in California:

(a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.

(b) Sections (F) and (G) do not apply to you.

(ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. This threshold was $123,750 for 2024. This threshold is scheduled to be $127,091 for 2025. If your annualized cash compensation does exceed these thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2024, this threshold was $74,250. For 2025, this threshold is scheduled to be $76,254.

(iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2024, this threshold was $154,200, and the District of Columbia may announce a higher threshold for 2025. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee." Further, Section (G), if it applies to you, is limited in time to 12 months from the date of your termination of employment.

(iv) For employees based in Illinois, Section (G) does not apply to you (a) unless you earn more than $75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) if the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you (a) unless you earn more than $45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) if the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.

(v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 7 therefore applies in every parish and municipality in the State, which include Acadia Parish, Allen Parish, Ascension Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Bossier Parish, Caddo Parish, Calcasieu Parish, Caldwell Parish, Cameron Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, De Soto Parish, East Baton Rouge Parish, East Carroll Parish, East Feliciana Parish, Evangeline Parish, Franklin Parish, Grant Parish, Iberia Parish, Iberville Parish, Jackson Parish, Jefferson Davis Parish, Jefferson Parish, La Salle Parish, Lafayette Parish, Lafourche Parish, Lincoln Parish, Livingston Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Orleans Parish, Ouachita Parish, Plaquemines Parish, Pointe Coupee Parish, Rapides Parish, Red River Parish, Richland Parish, Sabine Parish, St. Bernard Parish, St. Charles Parish, St. Helena Parish, St. James Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, St. Tammany Parish, Tangipahoa Parish, Tensas Parish, Terrebonne Parish, Union Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, West Baton Rouge Parish, West Carroll Parish, West Feliciana Parish, and Winn Parish.

(vi) For employees based in Maine, Section G will not apply to you unless your annual compensation exceeds a threshold of 400% percent of the federal poverty level. For 2024, this threshold was $60,240. For 2025, this threshold may be different.

(vii) For employees based in Minnesota, Section (G) does not apply to you.

(viii) For employees based in Nevada, Section (G) does not apply to you if you are paid solely on an hourly wage basis, exclusive of any tips or gratuities. Further, if the termination of your employment is the result of a reduction of force, reorganization, or similar restructuring, Section (G) will only be enforceable during the period in which the Company is paying your salary, benefits, or equivalent compensation, including severance pay.

(ix) For employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.

(x) For employees based in North Dakota, Sections (E) and (G) do not apply to you.

(xi) For employees based in Oklahoma:

(a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.

(b) Sections (F) and (G) do not apply to you.

(xii) For employees based in Oregon, Section (G) does not apply to you unless your annual compensation exceeds the statutory threshold (adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items) published by the Bureau of Labor Statistics of the United States Department of Labor). For 2024, this threshold was $113,241. For 2025, this threshold may be higher. Section (G) also does not apply to you unless you (i) perform predominantly intellectual, managerial, or creative tasks; (ii) exercise discretion and independent judgment; and (iii) are paid on a salary basis. Section (G) also does not apply to you unless (1) you personally received notice that you would be subject to a non-compete at least two weeks before you began employment, or (2) you became eligible to enter into these Standard Terms and Conditions by virtue of a promotion or other bona fide advancement. Further, Section (G), if it applies to you, is limited in time to 12 months from the date of your termination of employment.

(xiii) For employees based in Virginia, Section (G) does not apply to you if your average weekly earnings, calculated as provided under Code of Virginia section 40.1-28.7:7 (the "Virginia Act"), are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of section 65.2-500, or you otherwise qualify as a "low-wage employee" under the Virginia Act. For 2024, this threshold was $73,320. For 2025, this threshold may be different. You will not be considered a "low-wage employee" if your earnings are derived, in whole or in predominant part, from sales commissions, incentives, or bonuses paid by the Company. You also agree that the restrictive covenants in these Standard Terms and Conditions are reasonably limited in nature and do not prohibit your employment with a competing business in a non-competitive position.

(xiv) For employees based in the State of Washington:

(a) Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed the threshold established by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. As of 2024, this threshold was $120,559.99. The Department has announced that this threshold is set to be $123,394.17 for 2025. If your employment with the Company is terminated as the result of a layoff, Section (G) does not apply unless, during the period of enforcement, the Company pays you compensation equivalent to your final base pay at the time of the termination of employment, minus the amount of any compensation you earn through employment after the end of your employment with the Company, which new employment and compensation you agree to promptly and fully disclose. For purposes of this section, "layoff" means termination of your employment by the Company for reasons of the Company's insolvency or other purely economic factors, and specifically excludes termination of your employment for any other reason, either with or without cause. In addition, nothing herein will restrict you from, while working for the Company, having an additional job, supplementing your income by working for another employer, working as an independent contractor, or being self-employed from this additional employment, if you do not earn at least twice the Washington minimum hourly wage, though you will be subject to the terms of the Standard Terms and Conditions, the Company's applicable policies, and the common law duty of loyalty. In addition to the other forms of protected conduct, nothing herein prohibits disclosure or discussion of conduct you reasonably believe to be illegal discrimination, illegal harassment, illegal retaliation, a wage-and-hour violation, or sexual assault,

or that is recognized as against a clear mandate of public policy. Further, Section (G), if it applies to you, is limited in time to 18 months from the date of your termination of employment.

(b) Section (E) does not restrict solicitation of former customers of the Company or the mere acceptance or transaction of business with a customer, unless Section (G) also applies to you pursuant to the terms of Section (H)(xiv)(a). For the avoidance of doubt, even if Section (G) does not apply to you, Section (E) still restricts the solicitation of current customers of the Company.

8. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 7, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 9 and 10, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based.

9. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 7 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Options subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe that you have violated any one or more of the promises set forth in Section 7, the vesting of this Award may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 10 and 12. In addition, in lieu of or in addition to any remedy provided for in Section 8, at any time the Company may seek in any proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding your violation of Section 7. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent you violate a promise set forth in Section 7 that is applicable in the State in which your employment with the Company is based, pursuant to Section 7(H).

GENERAL

10. DISPUTE RESOLUTION

(i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, your conduct following the termination of such relationship, or any application you submitted for employment with the Company, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 7 and 9 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subpart (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 7 and 9, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 7 and 9 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 7 or 9 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 12 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 7 or 9 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 7 or 9 to the extent those Sections are applicable in the State in which your employment with the Company is based.

11. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

12. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 7 or 9. All questions pertaining to the construction, regulation, validity, and effect of Sections 7 or 9 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to Section 12 hereof, other than those arising from Sections 7 or 9, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

You and the Company further agree that, if any one or more of the provisions of Section 7 are determined to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

13. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

14. RESTRICTIONS ON RESALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued in respect of vested Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

15. INCOME TAXES

The Company shall not deliver shares in respect of any Stock Units unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the delivery of the Common Stock and any related Dividend Equivalent Payments, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the vesting of the Stock Units (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company) or withholding any related Dividend Equivalent Payments. You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Stock Units from any amounts payable by it to you (including, without limitation, future cash wages).

16. NON-TRANSFERABILITY OF AWARD

You understand, acknowledge and agree that, except as otherwise provided in the Plan, the Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of prior to the payment of the Common Stock to you as provided in Section 16 hereof. Your beneficiaries and anyone claiming an interest in the Stock Units through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 7.

17. CLAWBACK AND RECOUPMENT

If you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that your Award is subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of Certain Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. In addition, if you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

18. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming, under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or the Key Employee Continuity Plan, or subject to the Grant Notice or these Standard Terms and Conditions, except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, in the Key Employee Continuity Plan, in the Grant Notice, in these Standard Terms and Conditions, or in any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any lawful reason.

19. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and the Long-Term Plan constitute the entire understanding between you and the Company regarding the Stock Units. Any prior agreements, commitments or negotiations concerning the Stock Units are superseded.

20. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **COLORADO** AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 7(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE **DISTRICT OF COLUMBIA** AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 7(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 7(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **ILLINOIS**, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE COMMONWEALTH OF **VIRGINIA**, YOU ACKNOWLEDGE THAT YOU HAVE BEEN PROVIDED A COPY OF THIS AGREEMENT AT LEAST THREE BUSINESS DAYS BEFORE THE DEADLINE TO SIGN THIS AGREEMENT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **WASHINGTON**, YOU ACKNOWLEDGE THAT IF THIS AGREEMENT IS ENTERED INTO AFTER THE START OF YOUR EMPLOYMENT, YOU RECEIVED INDEPENDENT CONSIDERATION FOR ENTERING INTO THIS AGREEMENT. IF YOU ARE A NEW EMPLOYEE, YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THIS AGREEMENT OR A WRITTEN DESCRIPTION OF ITS COVENANTS NO LATER THAN THE TIME OF THE INITIAL ORAL OR WRITTEN ACCEPTANCE OF THE OFFER OF EMPLOYMENT.

Exhibit 10(b)

UNION PACIFIC CORPORATION
GRANT NOTICE FOR 2021 STOCK INCENTIVE PLAN
NONQUALIFIED STOCK OPTION

FOR GOOD AND VALUABLE CONSIDERATION, Union Pacific Corporation (the "Company"), hereby grants to Participant named below (for purposes hereof, references herein to "you" or "your" shall refer to such Participant) the nonqualified stock option (the "Option") to purchase any part or all of the number of shares of its common stock, par value $2.50 (the "Common Stock"), that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Grant Notice, the Union Pacific Corporation 2021 Stock Incentive Plan (the "Plan") the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to you, and, if applicable, the Union Pacific Corporation Key Employee Continuity Plan (the "Key Employee Continuity Plan") and the Policy for Recoupment of Certain Compensation, each as amended from time to time. In addition, if you become eligible for and entitled to severance benefits under a broad-based severance pay policy of the Company that include waiver of the vesting period and/or extension of the exercise period with respect to the Option (the "Severance Policy"), the Option also shall be subject to the terms of such Severance Policy.

This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:	
Grant Date:	February 7, 2025
Grant Number:	
Number of Shares of Common Stock covered by Option:	
Exercise Price Per Share:	
Expiration Date:	February 7, 2035

Vesting Schedule:

Shares	Vest Date
	February 8, 2026
	February 8, 2027
	February 8, 2028

This Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

By electronically accepting this Option, you acknowledge that you have received and read, and agree that this Option shall be subject to, the terms of this Grant Notice, the Plan, the Standard Terms and Conditions and, if applicable, the Key Employee Continuity Plan and/or the Severance Policy (including, but not limited to, the Key Employee Continuity Plan's or Severance Policy's requirement, if any, that you execute a general release of employment-related claims) and the Policy for Recoupment of Certain Compensation. You also hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Option via Company website or other electronic delivery.

YOU HAVE ONE HUNDRED AND EIGHTY (180) DAYS FROM THE GRANT DATE SET FORTH IN THIS GRANT NOTICE TO ELECTRONICALLY ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS. IF YOU DO NOT ACCEPT THIS AWARD AND THE STANDARD TERMS AND CONDITIONS IN THE APPLICABLE 180 DAY PERIOD, YOU WILL ***FORFEIT*** THE NONQUALIFIED STOCK OPTION THAT IS THE SUBJECT OF THIS AWARD.

UNION PACIFIC CORPORATION
STANDARD TERMS AND CONDITIONS FOR
NONQUALIFIED STOCK OPTION

These Standard Terms and Conditions apply to the Option granted pursuant to the Union Pacific Corporation 2021 Stock Incentive Plan, as amended (the "Plan"), which is identified as nonqualified stock option and is evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the Option shall be subject to the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, each as amended from time to time, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company (as defined below) shall include a reference to any Subsidiary for which you are or have been employed. Additionally, references in these Standard Terms and Conditions to "you" or "your" shall refer to the Participant named in the Grant Notice provided to the Participant herewith (the "Grant Notice"), and such Participant's heirs and beneficiaries.

By electronically accepting the grant of the Option and these Standard Terms and Conditions, you acknowledge and agree to be bound by the following, which will survive your termination from employment and the vesting or forfeiture of the Option:

OPTION

1. TERMS OF OPTION

Union Pacific Corporation (the "Company"), has granted to you a nonqualified stock option (the "Option") to purchase up to the number of shares of the Company's common stock (the "Common Stock"), set forth in the Grant Notice. The exercise price per share and the other terms and conditions of the Option are set forth in the Grant Notice, these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, each as amended.

2. NONQUALIFIED STOCK OPTION

The Option is not intended to be an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted accordingly.

3. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Grant Notice. After the Grant Date, to the extent not previously exercised, and subject to termination or acceleration as provided in these Standard Terms and Conditions, the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, the Option shall be exercisable only to the extent it becomes vested, as described in the Grant Notice, these Standard Terms and Conditions, the terms of the Plan and, if applicable, the Key Employee Continuity Plan, the Severance Policy and/or the Policy for Recoupment of Certain Compensation, to purchase up to that number of shares of Common Stock as set forth in the Grant Notice, provided that (except as may be provided otherwise in Section 4 below) you remain employed with the Company and do not experience a termination of employment.

The exercise price (the "Exercise Price") of the Option is set forth in the Grant Notice. The Company shall not be obligated to issue any shares of Common Stock until you have paid the total Exercise Price for that number of shares of Common Stock. To exercise the Option (or any part thereof), you must deliver to the Company appropriate notice specifying the number of whole shares of Common Stock you wish to purchase accompanied by valid payment in the form of (i) a check, (ii) an attestation form confirming your current ownership of whole shares of Common Stock equal in value to the total Exercise Price for that number of shares of Common Stock, and/or (iii) an authorization to sell shares equal in value to the total Exercise Price for that number of shares of Common Stock. Notices and authorizations shall be delivered and all checks shall be payable to the Company's third party stock plan administrator, or as otherwise directed by the Company.

Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practicable after exercise. Notwithstanding the above, for administrative or other reasons, including, but not limited to the Company's determination that exercisability of the Option would violate any federal, state or other applicable laws, the Company may from time to time suspend your ability to exercise an Option for limited periods of time, which suspensions shall not change the period in which the Option is exercisable, except as otherwise provided in the Plan.

4. EXPIRATION OF OPTION

Except as otherwise may be provided by the Committee consistent with the terms of the Plan, the Option shall expire and cease to be exercisable as of the earlier of (a) the Expiration Date set forth in the Grant Notice or (b) the date specified below in Sections 4A through 4H, as applicable.

A. If your termination of employment is by reason of death or you are determined to be disabled under the provisions of the Company's long-term disability plan, then any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (by you or your estate, beneficiary or legal representative, as the case may be) at the date of such termination of employment or the first day on which you are determined to be disabled under such long-term disability plan, as the case may be, until the date that is five (5) years following the date of such termination of employment or the first day of disability as determined under such long-term disability plan, as the case may be.

B. If you remain continuously employed with the Company until December 31, 2025, (which shall include a period of time during which you are absent from active employment in accordance with a leave of absence policy adopted by the Company), and have a termination of employment at or after attaining Retirement Status as defined below in this Section 4B, then the Option shall be exercisable in accordance with and at the times it becomes vested, as described in the Grant Notice, notwithstanding your termination of employment with the Company, until the date that is five (5) years following the date of such termination of employment. "Retirement Status" means the Participant has attained either: (i) age 55 with at least 10 years of vesting service; (ii) age 60 with at least 5 years of vesting service; or (iii) age 65. For this purpose, vesting service shall be calculated by applying the rules for determining "Vesting Service" under the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates ("UPC Pension Plan"), regardless of whether you were ever a participant in the UPC Pension Plan.

C. If there is a Change in Control that occurs prior to your termination of employment in which the acquiring or surviving company in the transaction does not assume or continue the Option upon the Change in Control, any vesting period with respect to the Option shall be deemed to be satisfied and the Option shall become fully vested and exercisable (provided that the Option may be canceled upon the consummation of the Change in Control without payment of any additional consideration if the exercise price of the Option is less than the consideration per Share payable to shareholders of the Company in such Change in Control) and you may exercise the Option not assumed or continued until the date that is five (5) years following the date of such Change in Control. If you terminate employment following such Change in Control for a reason described in 4H, any unexercised portion of the Option shall be immediately forfeited and canceled as of the date of such termination of employment.

D. Except as provided in Section 4E hereof, if you terminate employment with the Company prior to attaining Retirement Status, and as a result of such termination of employment you are eligible for and entitled to payment of severance benefits under the provisions of a Severance Policy that include extension of the exercise period with respect to such Option, and provided you satisfy the conditions of the Severance Policy, you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date established under the Severance Policy, provided that in no event will such date extend beyond the Expiration Date set forth in the Grant Notice.

E. If your employment is involuntarily terminated by the Company (other than a termination as a result of disability determined under the provisions of the Company's long-term disability plan, or cause or gross misconduct as determined by the Committee) within two (2) years following a Change in Control, any vesting period with respect to the Option shall be deemed to be satisfied and you may exercise the Option upon the date of such termination of employment, and the Option shall remain exercisable until the date that is three (3) years following the date of such termination of employment (or until the date that is five (5) years following the date of such termination of employment in the case of a termination of employment by reason of your death or a termination of employment described in Section 4B hereof). Furthermore, the Option exercise period shall be as described in Section 4A in the event you are determined to be disabled under the provisions of the Company's long-term disability plan prior to your termination of employment described in this Section 4E.

F. Notwithstanding the foregoing Sections 4A through 4E, if you are an Eligible Employee (within the meaning of the Key Employee Continuity Plan) in the Key Employee Continuity Plan and incur a Severance (within the meaning of the Key Employee Continuity Plan), the Option shall vest and be exercisable in accordance with the terms and conditions of the Key Employee Continuity Plan.

G. Except as otherwise provided in the foregoing Sections 4A through 4F: (i) you may exercise any portion of the Option that is vested and exercisable at the time of your termination of employment until the date that is three (3) months following the date of such termination of employment; and (ii) any portion of the Option that is not vested and exercisable at the time of such termination of employment shall be forfeited and canceled as of the date of such termination of employment.

H. Notwithstanding any other provision of this Section 4, if your employment is terminated by the Company for deliberate, willful or gross misconduct (as determined by the Committee), the unexercised portion of the Option, whether or not then vested and exercisable, shall be immediately forfeited and canceled as of the date of such termination of employment.

5. PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

A. CONFIDENTIAL INFORMATION AND TRADE SECRETS

You acknowledge that the Company regards certain information relating to its business and operations as confidential. This includes all confidential and proprietary information concerning the assets, business or affairs of the Company or any customers thereof ("Confidential Information"). You further acknowledge that the Company has certain information that derives economic value from not being known to the general public or to others who could obtain economic value from its disclosure or use, as to which the Company takes reasonable efforts to protect its secrecy ("Trade Secrets").

B. TYPES OF CONFIDENTIAL INFORMATION OR TRADE SECRETS

You acknowledge that you did have, currently have, and/or in the future will have developed, obtained, and/or been given access to the Company's Confidential Information or Trade Secrets. By way of example only, the Company's Confidential Information or Trade Secrets may include, but are not limited to: information about rates or costs; customer or supplier agreements and negotiations; business opportunities; scheduling and delivery methods; business and marketing plans; financial information or plans; communications within the attorney-client privilege or other privileges; operating procedures and methods; construction methods and plans; proprietary computer systems design, programming or software; strategic plans; succession plans; proprietary company training programs; employee performance, compensation or benefits; negotiations or strategies relating to collective bargaining agreements and/or labor disputes; and policies and internal or external claims or complaints regarding personal injuries, employment laws or policies, environmental protection, or hazardous materials. You agree that any unauthorized disclosures by you to any third party of such Confidential Information or Trade Secrets would be a material violation of this Agreement, would constitute gross misconduct, and would cause irreparable harm to the Company.

Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

C. AGREEMENT TO MAINTAIN CONFIDENTIAL INFORMATION

You agree to not, unless you received prior written consent from the senior human resources officer or such other person designated in writing by the Company (hereinafter collectively referred to as the Sr. HR Officer), or unless ordered by a court or government agency, (i) divulge, use, furnish or disclose to any subsequent employer or, except to the extent necessary to perform your job responsibilities with the Company, any other person, whether or not a competitor of the Company, any Confidential Information or Trade Secrets, or (ii) retain or take with you when you leave the Company any property of the Company or any documents (including any electronic or computer records) relating to any Confidential Information or Trade Secrets

D. PRIOR NOTICE OF EMPLOYMENT

You acknowledge that if you become an employee, contractor, or consultant for any other person or entity engaged in the Business of the Company, as defined in Section (G), it would create a substantial risk that you would, intentionally or unintentionally, disclose or rely upon the Company’s Confidential Information or Trade Secrets for the benefit of the other person or entity to the detriment of the Company. You further acknowledge that such disclosures would be particularly damaging if made shortly after you leave the Company. You agree that while you are employed by or working for the Company and for a period of two (2) years after you leave the Company, before accepting any employment or affiliation with another person or entity, you will give written notice to the Sr. HR Officer of your intention to accept such employment or affiliation. You also agree to confer in good faith with the Sr. HR Officer concerning whether your proposed employment or affiliation could reasonably be expected to be performed without improper disclosure of Confidential Information or Trade Secrets.

E. NON-SOLICITATION OF CUSTOMERS

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) call on or solicit any of the Company's customers with whom you had personal contact or about whom you received Confidential Information during the period from the Grant Date of this Award until the Restriction Period Termination Date (or, if earlier, the date your employment with the Company ceased), for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined below in Section (G).

F. NON-SOLICITATION OF EMPLOYEES

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise), participate in hiring or attempting to hire away a Company employee or contractor, or induce or encourage any employees or contractors of the Company to terminate their relationship with the Company, without prior written consent of the Sr. HR Officer.

G. NON-COMPETITION

In consideration for your employment with the Company, the financial and other benefits you received from that employment, the Award, and/or access to Confidential Information and/or Trade Secrets, as defined in this Agreement, you agree that during employment with the Company, and for a period of two (2) years following your departure from the Company, you will not (directly or indirectly, in association with others or otherwise) engage in any activity for a competitive Business (as defined below) in which (i) the use, disclosure, or misappropriation of the Confidential Information and/or Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company; or (ii) you would be in a position to solicit or otherwise contact, on behalf of the competitive Business, any current or prospective Company customers and clients with whom you had personal contact or about whom you learned Confidential Information and/or Trade Secrets. The foregoing includes, without limitation, engagement as an officer, director, proprietor, employee, partner, manager, member, investor (other than as a holder of less than 2% of the outstanding capital stock of a publicly traded corporation), guarantor, consultant, advisor, agent, sales representative or other participant within any State in which the Company does business. For the avoidance of doubt, the term "State" as used in this agreement shall be interpreted to include any legal territory of the United States where the Company does business, including, by way of example, the District of Columbia, except as set forth in Section H.

Further, for purposes of these Standard Terms and Conditions, the term "Business" means the transportation of goods in interstate commerce and related services in or through or for any State in which the Company or any of its affiliates provides such services directly or indirectly and any other activity that supports such operations including by the way of example but not limitation, marketing, information systems, logistics, technology development or implementation, terminal services and any other activity of the Company or any of its affiliates related to providing such services. This Section (G) is not intended to prevent you from engaging in any activity that is not substantially the same as or competitive with the Company's Business.

H. SPECIFIC STATE LAW LIMITATIONS

This Section 5 is subject to the following limitations or agreements for employees based in the specific States listed below. The Company agrees to these limitations solely for the purpose of compliance with each State's laws. If your employment with the Company is not based in the following States, you agree that the paragraphs above apply to you in full.

(i) For employees based in California:

(a) Section (E) does not apply to you, except that you agree that you will be prohibited from solicitation of the Company's clients using the Company's trade secrets, and/or providing services for anyone other than the Company using the Company's trade secrets.

(b) Sections (F) and (G) do not apply to you.

(ii) For employees based in Colorado, Section (G) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. This threshold was $123,750 for 2024. This threshold is scheduled to be $127,091 for 2025. If your annualized cash compensation does exceed these thresholds, Section (G) still only restricts you from engaging in any activity for a competitive Business (as defined above) in which the use, disclosure, or misappropriation of Trade Secrets you had access to or obtained during your employment with the Company may provide the competitive Business with a competitive advantage against the Company, and/or otherwise cause harm to the Company. Section (E) does not apply to you unless your annualized cash compensation from the Company exceeds the threshold set by the Colorado Department of Labor and Employment, Division of Labor Standards and Statistics. As of 2024, this threshold was $74,250. For 2025, this threshold is scheduled to be $76,254.

(iii) For employees based in the District of Columbia, Sections (E) and (G) do not apply to you unless you are reasonably expected to earn in a consecutive 12-month period or have earned in the preceding 12-month period, compensation greater than or equal to the threshold set by the District of Columbia Non-Compete Agreements Amendment Act of 2020, as amended. As of 2024, this threshold was $154,200, and the District of Columbia may announce a higher threshold for 2025. For purposes of this agreement, an employee based in the District of Columbia who meets this compensation threshold shall be deemed a "Highly Compensated Employee." Further, Section (G), if it applies to you, is limited in time to 12 months from the date of your termination of employment.

(iv) For employees based in Illinois, Section (G) does not apply to you (a) unless you earn more than $75,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) if the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. Sections (E) and (F) do not apply to you (a) unless you earn more than $45,000 per year (or any higher amount set by the Illinois Freedom to Work Act for future years), or (b) if the Company terminates, furloughs, or lays you off as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, unless enforcement of the covenant not to compete includes compensation equivalent to the your base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement.

(v) For employees based in Louisiana, you agree that the Company operates throughout the State of Louisiana, and that Section 6 therefore applies in every parish and municipality in the State, which

include Acadia Parish, Allen Parish, Ascension Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Bossier Parish, Caddo Parish, Calcasieu Parish, Caldwell Parish, Cameron Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, De Soto Parish, East Baton Rouge Parish, East Carroll Parish, East Feliciana Parish, Evangeline Parish, Franklin Parish, Grant Parish, Iberia Parish, Iberville Parish, Jackson Parish, Jefferson Davis Parish, Jefferson Parish, La Salle Parish, Lafayette Parish, Lafourche Parish, Lincoln Parish, Livingston Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Orleans Parish, Ouachita Parish, Plaquemines Parish, Pointe Coupee Parish, Rapides Parish, Red River Parish, Richland Parish, Sabine Parish, St. Bernard Parish, St. Charles Parish, St. Helena Parish, St. James Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, St. Tammany Parish, Tangipahoa Parish, Tensas Parish, Terrebonne Parish, Union Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, West Baton Rouge Parish, West Carroll Parish, West Feliciana Parish, and Winn Parish.

(vi) For employees based in Maine, Section G will not apply to you unless your annual compensation exceeds a threshold of 400% percent of the federal poverty level. For 2024, this threshold was $60,240. For 2025, this threshold may be different.

(vii) For employees based in Minnesota, Section (G) does not apply to you.

(viii) For employees based in Nevada, Section (G) does not apply to you if you are paid solely on an hourly wage basis, exclusive of any tips or gratuities. Further, if the termination of your employment is the result of a reduction of force, reorganization, or similar restructuring, Section (G) will only be enforceable during the period in which the Company is paying your salary, benefits, or equivalent compensation, including severance pay.

(ix) For employees based in New York, Section (E) does not apply to any customer that became a customer of the Company only as a result of your independent contact and business development efforts with the customer before and independent from your employment with the Company.

(x) For employees based in North Dakota, Sections (E) and (G) do not apply to you.

(xi) For employees based in Oklahoma:

(a) Section (E) only restricts you from directly (not indirectly) engaging in calling upon or soliciting the Company's customers with whom you had personal contact or about whom you received Confidential or Trade Secret information, for the purpose of providing the customers with goods and/or services similar in nature to those provided by the Company in its Business as defined in Section (G), within any State in which the Company does business.

(b) Sections (F) and (G) do not apply to you.

(xii) For employees based in Oregon, Section (G) does not apply to you unless your annual compensation exceeds the statutory threshold (adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items) published by the Bureau of Labor Statistics of the United States Department of Labor). For 2024, this threshold was $113,241. For 2025, this threshold may be higher. Section (G) also does not apply to you unless you (i) perform predominantly intellectual, managerial, or creative tasks; (ii) exercise discretion and independent judgment; and (iii) are paid on a salary basis. Section (G) also does not apply to you unless (1) you personally received notice that you would be subject to a non-compete at least two weeks before you began employment, or (2) you became eligible to enter into these Standard Terms and Conditions by virtue of a promotion or other bona fide advancement. Further, Section (G), if it applies to you, is limited in time to 12 months from the date of your termination of employment.

(xiii) For employees based in Virginia, Section (G) does not apply to you if your average weekly earnings, calculated as provided under Code of Virginia section 40.1-28.7:7 (the "Virginia Act"), are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of

section 65.2-500, or you otherwise qualify as a "low-wage employee" under the Virginia Act. For 2024, this threshold was $73,320. For 2025, this threshold may be different. You will not be considered a "low-wage employee" if your earnings are derived, in whole or in predominant part, from sales commissions, incentives, or bonuses paid by the Company. You also agree that the restrictive covenants in these Standard Terms and Conditions are reasonably limited in nature and do not prohibit your employment with a competing business in a non-competitive position.

(xiv) For employees based in the State of Washington:

(a) Section (G) does not apply to you unless your annual earnings from your employment with the Company exceed the threshold established by the Washington Department of Labor and Industries pursuant to RCW 49.62.040. As of 2024, this threshold was $120,559.99. The Department has announced that this threshold is set to be $123,394.17 for 2025. If your employment with the Company is terminated as the result of a layoff, Section (G) does not apply unless, during the period of enforcement, the Company pays you compensation equivalent to your final base pay at the time of the termination of employment, minus the amount of any compensation you earn through employment after the end of your employment with the Company, which new employment and compensation you agree to promptly and fully disclose. For purposes of this section, "layoff" means termination of your employment by the Company for reasons of the Company's insolvency or other purely economic factors, and specifically excludes termination of your employment for any other reason, either with or without cause. In addition, nothing herein will restrict you from, while working for the Company, having an additional job, supplementing your income by working for another employer, working as an independent contractor, or being self-employed from this additional employment, if you do not earn at least twice the Washington minimum hourly wage, though you will be subject to the terms of the Standard Terms and Conditions, the Company's applicable policies, and the common law duty of loyalty. In addition to the other forms of protected conduct, nothing herein prohibits disclosure or discussion of conduct you reasonably believe to be illegal discrimination, illegal harassment, illegal retaliation, a wage-and-hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy. Further, Section (G), if it applies to you, is limited in time to 18 months from the date of your termination of employment.

(b) Section (E) does not restrict solicitation of former customers of the Company or the mere acceptance or transaction of business with a customer, unless Section (G) also applies to you pursuant to the terms of Section (H)(xiv)(a). For the avoidance of doubt, even if Section (G) does not apply to you, Section (E) still restricts the solicitation of current customers of the Company.

6. INJUNCTIVE RELIEF

You agree that each of the restraints contained herein is, in consideration for, and necessary for the protection of the goodwill, Confidential Information, Trade Secrets and other legitimate interests of the Company; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area, to the extent they apply in the State in which your employment with the Company is based; and that these restraints, neither individually nor in the aggregate, will not prevent you from obtaining other suitable employment during the period in which you are bound by such restraints. You further acknowledge that, if you breach any one or more of the covenants contained in Section 5, the damage to the Company would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Sections 7 and 8, shall be entitled to injunctive relief against your breach or threaten breach of said covenants, to the extent they apply in the State in which your employment with the Company is based.

7. VIOLATION OF PROMISES

You agree that if you violate any one or more of the promises set forth in Section 6 then, in lieu of or in addition to any other remedies available to Company as permitted by applicable law, all unvested Stock Units subject to this Grant shall be immediately forfeited. If at any time the Committee or the Sr. HR Officer notifies (the date such notice is provided, the "Notice Date") the Company that they reasonably believe that you have violated any one or more of the promises set forth in Section 5, the vesting of this Grant may be suspended pending a determination of whether you violated any such provision by a tribunal as specified in Section 8 and 10. In addition, in lieu of or in addition to any remedy provided for in Section 6, at any time the Company may seek in any proceeding that you be required to immediately deliver to the Company any shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments earned by or issued to you pursuant to this Grant at any time during the three (3) full fiscal years preceding your violation of Section 5. You agree that you will deliver such shares of Common Stock (or the fair market value thereof) and any related Dividend Equivalent Payments to the Company on such terms and conditions as may be required by the Company. You further agree that the Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the market value of any such shares of Common Stock and any related Dividend Equivalent Payments against any amount that might be owed to you by the Company. For the avoidance of doubt, this paragraph shall apply only to the extent you violate a promise set forth in Section 5 that is applicable in the State in which your employment with the Company is based, pursuant to Section 5(H).

GENERAL

8. DISPUTE RESOLUTION

(i) You and the Company each agree that any controversy, claim, or dispute arising out of or relating to these Standard Terms and Conditions or arising out of or relating to your employment relationship with the Company or any of its affiliates, the termination of such relationship, your conduct following the termination of such relationship, or any application you submitted for employment with the Company, shall be resolved by binding arbitration before a neutral arbitrator on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding. By way of example only, claims subject to this agreement to arbitrate include claims litigated under federal, state and local statutory or common law, such as the Family Medical Leave Act, the Age Discrimination in Employment Act of 1967, Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the Americans with Disabilities Act, the Federal Employers Liability Act, the Federal Railway Safety Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the law of contract and the law of tort. You and the Company each agree that such claims may be brought in an appropriate administrative forum, but if you or the Company seek a judicial forum to resolve the matter, this agreement for binding arbitration will become immediately effective, and you and the Company each hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury.

(ii) For disputes arising under Sections 5 and 7 of these Terms and Conditions, the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to the American Arbitration Association (AAA) for prompt resolution in the State in which your employment with the Company is based, under AAA rules for employment disputes. For all other disputes within the scope of subpart (i), the parties will submit the dispute, within 30 business days following service of notice of such dispute by one party on the other, to AAA for prompt resolution in Salt Lake City, Utah, also under AAA rules for employment disputes. In either case, there shall be a single arbitrator, chosen in accordance with AAA rules, who at such time shall be on AAA's Judicial Panel. If there are no AAA arbitrators in the applicable State, another arbitrator shall be selected from that State or a neighboring State, but the arbitration will still be conducted in the State in which your employment with the Company is based. The decision of the arbitrator will be final and binding upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award, and the parties hereby waive any right to seek or receive, specific performance or an injunction, punitive or exemplary damages, except that the arbitrator shall have authority to issue injunctive relief to enforce the covenants in Sections 6 and 8, to the extent those covenants apply in the State in which your employment with the Company is based. The arbitrator will have no authority to order a modification or amendment of these Standard Terms and Conditions, except that if the arbitrator finds any covenant in Sections 5 and 7 of this agreement to be unenforceable as written, the arbitrator shall deem the agreement amended in order to give each such covenant its maximum effect, to the extent permitted by law in the State in which your employment with the Company is based. The arbitrator shall have the authority to award costs of arbitration, including reasonable attorney's fees, to the prevailing party, but in the absence of such award the parties shall bear their own attorney and filing fees unless otherwise agreed upon mutually by the parties or required by law. The Company shall bear the cost of the arbitrator's fees.

(iii) Notwithstanding the foregoing, the Company may seek injunctive relief to enforce any one or more of the covenants set forth in Sections 5 or 7 of these Terms and Conditions, in a court of competent jurisdiction, as set forth in Section 10 below. You specifically agree that a court of competent jurisdiction may enter preliminary injunctive relief to restrain violations of any of the covenants in Sections 5 or 7 of these Terms and Conditions, pending arbitration or other litigation. For the avoidance of doubt, this provision only applies to the promises set forth in Sections 5 or 7, to the extent those Sections are applicable in the State in which your employment with the Company is based.

9. SEVERABILITY

If any provision of these Standard Terms and Conditions is, becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Company, it shall be stricken and the remainder of these Standard Terms and Conditions shall remain in force and effect.

10. CHOICE OF LAW; JURISDICTION

All questions pertaining to the construction, regulation, validity, and effect of these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Utah, without regard to the conflict of laws doctrine, with the exception of Sections 5 or 7. All questions pertaining to the construction, regulation, validity, and effect of Sections 5 or 7 shall be determined in accordance with the laws of the State in which your employment with the Company is based. With respect to any claim or dispute involving your Grant and/or these Standard Terms and Conditions that is not subject to the arbitration pursuant to Section 10 hereof, other than those arising from Sections 5 or 7, you and the Company each hereby consent and submit to the personal jurisdiction and venue of any state or federal court located in the county of Salt Lake City within the State of Utah and, recognizing the appropriateness of the State of Utah for any such matters due to the Company being incorporated in Utah, you and the Company hereby agree and consent to the state and federal courts located in the county of Salt Lake City within the State of Utah as the sole and exclusive forum for resolution of any and all claims, causes of action or disputes arising out of or related to your Award and these Standard Terms and Conditions (including all terms incorporated by reference into these Standard Terms and Conditions).

You and the Company further agree that, if any one or more of the provisions of Section 5 are determined to be unenforceable by reason of it being overly broad, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

11. AMENDMENTS

The Plan and these Standard Terms and Conditions may be amended or altered by the Committee or the Company's Board of Directors to the extent provided in the Plan.

12. RESTRICTIONS ON RESALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by you or other subsequent transfers by you of any Common Stock issued in respect of vested Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by you and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

13. INCOME TAXES

The Company shall not deliver shares in respect of any Stock Units unless and until you have made satisfactory arrangements to pay or otherwise satisfy all applicable tax withholding obligations. Unless you pay the tax withholding obligations to the Company by cash or check in connection with the delivery of the Common Stock, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the vesting of the Stock Units (provided that shares of Common Stock may be withheld only to the extent that such tax withholding will not result in adverse accounting treatment for the Company). You acknowledge that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the delivery of the Stock Units from any amounts payable by it to you (including, without limitation, future cash wages).

14. NON-TRANSFERABILITY OF AWARD

You understand, acknowledge and agree that, except as otherwise provided in the Plan, the Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of prior to the payment of the Common Stock to you as provided in Section 4 hereof. Your beneficiaries and anyone claiming an interest in the Stock Units through you are subject to all of the terms and conditions applicable to you, other than the covenants set forth in Section 5.

15. CLAWBACK AND RECOUPMENT

If you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that your Award is subject to recoupment, including in connection with a financial restatement or any detrimental conduct, pursuant to and in accordance with the Company's Policy for Recoupment of Certain Compensation, as amended from time to time, and pursuant to any other policy the Company may adopt pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable law, or stock exchange listing standard. No recovery of compensation under such a clawback policy shall be treated as an event giving rise to a right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company. In addition, if you are or become a Covered Executive or Other Executive under the Company's Policy for Recoupment of Certain Compensation, you agree that that the Company shall not indemnify you against any liability or loss (including without limitation the loss of any incentive-based compensation, any payment or reimbursement for the cost of third-party insurance purchased by you to fund potential recovery obligations with respect to the Company's Policy for Recoupment of Certain Compensation, or any judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of you) incurred by you in connection with or as a result of any action taken by the Company to enforce the terms of the Company's Policy for Recoupment of Certain Compensation (a "Clawback Proceeding"), or provide any indemnification or advancement of expenses (including attorneys' fees) incurred by you in connection with any such Clawback Proceeding.

16. LIMITATION OF INTEREST IN SHARES SUBJECT TO STOCK UNITS

Neither you (individually or as a member of a group) nor any beneficiary or other person claiming under or through you shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or the Key Employee Continuity Plan, or subject to the Grant Notice or these Standard Terms and Conditions, except as to such shares of Common Stock, if any, as shall have been issued to such person upon vesting of the Stock Units, which shares shall remain subject to the conditions set forth in these Standard Terms and Conditions. Nothing in the Plan, in the Key Employee Continuity Plan, in the Grant Notice, in these Standard Terms and Conditions, or in any other instrument executed pursuant to the Plan shall confer upon you any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate your employment at any time for any lawful reason.

17. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions, the Plan and, as applicable, the Key Employee Continuity Plan constitute the entire understanding between you and the Company regarding the Stock Units. Any prior agreements, commitments or negotiations concerning the Stock Units are superseded.

18. REVIEW PERIOD/NOTICE FOR CERTAIN EMPLOYEES

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **COLORADO** AND ARE SUBJECT TO THE RESTRICTIONS IN SECTIONS 5(E), (F) and (G), YOU ACKNOWLEDGE THAT YOU RECEIVED THIS AGREEMENT BEFORE THE EARLIER OF ITS EFFECTIVE DATE OR THE EFFECTIVE DATE OF ANY ADDITIONAL COMPENSATION OR CHANGE IN THE TERMS OR CONDITIONS OF EMPLOYMENT THAT PROVIDES CONSIDERATION FOR THE COVENANTS IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE **DISTRICT OF COLUMBIA** AS A "HIGHLY COMPENSATED EMPLOYEE," AS DEFINED IN SECTION 5(H), YOU ACKNOWLEDGE THAT YOU HAVE HAD AT LEAST 14 CALENDAR DAYS BEFORE YOU BEGAN YOUR EMPLOYMENT TO REVIEW THIS AGREEMENT, OR IF YOU ARE A CURRENT EMPLOYEE, 14 DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT. PLEASE ALSO TAKE NOTICE THAT THE DISTRICT'S BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED LIMITS THE USE OF NON-COMPETE AGREEMENTS. IT ALLOWS EMPLOYERS TO REQUEST NON-COMPETE AGREEMENTS FROM HIGHLY COMPENSATED EMPLOYEES, AS THAT TERM IS DEFINED IN THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, UNDER CERTAIN CONDITIONS. IF YOU MEET THE COMPENSATION THRESHOLDS SET FORTH IN SECTIONS 5(E) AND (G), THE COMPANY HAS DETERMINED THAT YOU ARE A HIGHLY COMPENSATED EMPLOYEE. FOR MORE INFORMATION ABOUT THE BAN ON NON-COMPETE AGREEMENTS AMENDMENT ACT OF 2020, AS AMENDED, CONTACT THE DISTRICT OF COLUMBIA DEPARTMENT OF EMPLOYMENT SERVICES (DOES).

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **ILLINOIS**, YOU ACKNOWLEDGE THAT YOU HAVE AT LEAST 14 CALENDAR DAYS FROM THE DAY YOU RECEIVED THIS AGREEMENT TO REVIEW IT AND THAT YOU ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO SIGNING IT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE COMMONWEALTH OF **VIRGINIA**, YOU ACKNOWLEDGE THAT YOU HAVE BEEN PROVIDED A COPY OF THIS AGREEMENT AT LEAST THREE BUSINESS DAYS BEFORE THE DEADLINE TO SIGN THIS AGREEMENT.

IF YOU ARE EMPLOYED BY THE COMPANY IN THE STATE OF **WASHINGTON**, YOU ACKNOWLEDGE THAT IF THIS AGREEMENT IS ENTERED INTO AFTER THE START OF YOUR EMPLOYMENT, YOU RECEIVED INDEPENDENT CONSIDERATION FOR ENTERING INTO THIS AGREEMENT. IF YOU ARE A NEW EMPLOYEE, YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THIS AGREEMENT OR A WRITTEN DESCRIPTION OF ITS COVENANTS NO LATER THAN THE TIME OF THE INITIAL ORAL OR WRITTEN ACCEPTANCE OF THE OFFER OF EMPLOYMENT.

Exhibit 19

Union Pacific Corporation

Confidentiality And Insider Trading Policy

This Policy applies to all employees, executives and directors (all such persons are referred to as "**Company Persons**") of Union Pacific Corporation and its subsidiaries (the "**Company**"), as well as members of their immediate family, and Controlled Entities, all as explained and defined in Part IV of this Policy (all such persons subject to this Policy are referred to as "**Covered Persons**").

I. Confidential Information

A. General Statement

All Company Persons are expected to maintain in strict confidence all information about the Company gained in the course of their duties. Such information may not be used for personal advantage or for the benefit of others. These same restrictions apply to information learned about customers, suppliers, competitors and other companies in the course of work for the Company.

Company Persons with access to "**material nonpublic information**" (as defined in Part IV of this Policy) should distribute such information within the Company only on a strict "need to know basis" and should not provide such information to any person outside of the Company unless expressly authorized to do so by one of the Company's executive officers or legally mandated.

Company Persons, other than specifically designated persons, should not respond to inquiries from the investment community, which includes shareholders, investors, securities analysts, institutional investors, investment advisers, investment companies and related persons. Any such inquiries should be directed to Bradley Stock, Assistant Vice President---Investor Relations, at (402) 544-4227.

II. Insider Trading

A. General Statement

No Company Person may purchase, sell, gift, or otherwise engage in a transaction in the securities of a company at any time when the person has material nonpublic information about that company learned in the course of their work with Union Pacific. No Company Person may communicate material nonpublic information to a third party or suggest that anyone purchase, sell, gift, or otherwise engage in a transaction in any company's securities (i.e., "tipping" information) while aware of material nonpublic information about that company learned in the course of their work with Union Pacific. These restrictions on "insider trading" and "tipping" are not limited to Company securities, but also include trading in the securities of other companies, such as customers, suppliers, and competitors of the Company, when the person is in possession of material nonpublic information relevant to the other company as a result of the Company Person's employment or relationship with the Company. The foregoing restrictions apply to a Company Person's immediate family members and Controlled Entities to the same extent that they apply to the Company Person.

These restrictions apply to stock market as well as off-market transactions, including transactions in securities held in a brokerage account or within the Company's 401(k) or similar thrift plans, as well a gifts or donations of securities. With respect to Company securities, these restrictions on insider trading are applicable to the Company's common stock, options to purchase or sell or other "derivative securities" with a value tied to that of the Company's common stock (regardless of

whether the option was issued by the Company or is a market-traded option), and any other type of securities that the Company may issue, such as preferred stock, convertible debentures and warrants.

B. Additional Guidelines and Restrictions

Additional guidelines and restrictions are discussed in Part V of this Policy. All Covered Persons are subject to the prohibition on hedging transactions and short sales set forth in Part V, Section B. Members of the Union Pacific Board of Directors and certain executives and other employees who are so designated and notified from time to time by electronic communication from the Company's Stock Administration Department and/or the Law Department, as well as their Family Members and Controlled Entities (all such persons and entities, "**Restricted Persons**") are subject to additional restrictions as set forth in Part V, Section C. Members of the Union Pacific Board of Directors and executives who are subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as well as their Family Members and Controlled Entities (all such persons and entities, "**Section 16 Persons**") and certain other Restricted Persons are further subject to the restrictions set forth in Part V, Sections D through G.

III. Compliance and Certification

A. Consequences of Violation

Violations of this Policy may subject a Covered Person to disciplinary action including, in appropriate circumstances, termination of employment. In addition, violations of this Policy may result in prosecution by the SEC or criminal prosecution by the Department of Justice. The SEC may seek substantial civil penalties against a person who engages in insider trading or tipping. Any person who violates the federal insider trading laws, including by tipping another person who trades, may have to pay penalties and civil fines of up to three times the profit gained or loss avoided by such trading. The Company may also face civil penalties for employees' insider trading violations. In addition, insider trading can result in criminal fines and imprisonment. The SEC and several U.S. Attorneys' offices in recent years have been vigorously enforcing the insider trading laws against both individuals and institutions, including cases involving a relatively small number of shares where the violation resulted in little or no profits.

B. Certification

Restricted Persons and certain other employees are required annually to certify their understanding of and agreement to comply with this Policy.

IV. Definitions and Scope of This Policy

A. Covered Persons

All persons subject to this Policy are referred to as "Covered Persons". This Policy applies to:

- "Company Persons," defined as all employees, executives and directors of Union Pacific Corporation and its subsidiaries;
- "Family Members," which means any family member of a Company Person who resides with the Company Person (including a spouse, a child, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in a Company Person's household (other than household employees), and any family members who do not live in their household but whose transactions in Company securities are directed by a Covered Person or are subject to a Covered Person's influence or control, such as parents or children who consult with you before they trade in Company securities (collectively referred to as "Family Members"); and

- "Controlled Entities," which means any corporation, partnership, trust or other entity controlled, influenced or managed by a Company Person or their Family Members.

B. Definition of Material Nonpublic Information

Information about the Company is considered material if there is a substantial likelihood that a reasonable investor would:

consider the information important in making an investment decision; or

view the information as significantly altering the total mix of information about the Company available in the marketplace.

Either positive or negative information **may** be material. Under these standards, Company information that may be material includes, but is not limited to:

information about earnings, revenues or capital expenditures, including any updates or reaffirmations of such information that was previously disseminated to the public and any unexpected financial results or unpublished financial reports or projections;

new and substantial products or contracts, or significant developments regarding significant customers or suppliers;

significant changes in product offerings, or price changes;

interruption of operations or other aspects of the business due to an accident, fire, natural disaster, breakdown of labor negotiations or any major shutdowns;

service metrics and volume data (other than those made available publicly through the American Association of Railroads or the Surface Transportation Board, including any internal alternative calculations of publicly available metrics);

information about new and significant operational initiatives or similar plans, and the proposed implementation schedules for such initiatives and plans;

information regarding investors or potential investors, including nonpublic information regarding meetings with investors and investments in Company securities;

changes in control or in directors or senior management of the Company;

mergers, acquisitions, tender offers, joint ventures or other significant changes to Company assets;

major environmental incidents;

major marketing changes;

a cybersecurity incident, whether or not known to be critical or potentially significant;

changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditors' audit report;

significant labor disputes;

institution of, or developments in, significant litigation, investigation, regulatory actions or governmental proceedings; and

major events regarding the Company's securities, such as dividend policy changes, the declaration of a stock split, or the proposed or contemplated issuance, redemption, or repurchase of securities.

Information about the Company is considered public once it has been distributed in a manner that makes it available to investors generally and enough time has elapsed to permit the investment market to absorb and evaluate the information. Examples of public dissemination include, but are not limited to, press releases, annual reports to shareholders and filings with the Securities and Exchange Commission ("SEC"), such as Forms 10-K, 10-Q and 8-K. You should generally consider

information to be nonpublic until one full trading day has elapsed following public disclosure. A “trading day” is a day on which the New York Stock Exchange is open for business. The fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered widely disseminated even when the information is accurate.

V. Additional Guidelines and Restrictions

A. Post-Termination Transactions

Once you are no longer a Company Person, you and your Family Members and Covered Entities will cease to be subject to this Policy. However, the laws that prohibit insider trading will continue to apply, and if you possess material nonpublic information about the Company or another company that you obtained in the course of your work with Union Pacific, you and your Family Members and Covered Entities should not trade that company’s securities.

B. Restrictions on Hedging and Short Sales

Covered Persons are prohibited from hedging activities relating to the Company’s securities, such as (i) buying, selling or writing puts, calls or options related to the Company’s common stock and (ii) executing straddles, equity swaps and similar derivative arrangements that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company’s common stock. In addition, if you are aware of material nonpublic information about another company that you learned in the course of working for Union Pacific, you are prohibited from engaging in any transaction involving hedging activities, such as (x) buying, selling or writing puts, calls or options involving or related to that other company’s securities and (y) executing straddles, equity swaps and similar derivative arrangements involving or related to that other company’s securities. Covered Persons are also prohibited from engaging in short sales of Company securities (i.e., sales of securities that are not then owned), including a “sale against the box” (a sale with delayed delivery).

C. Blackout Periods

Restricted Persons are required to comply with additional trading restrictions. Restricted Persons may only trade in Company securities during an “Open Window Period.” The Open Window Period will be communicated to Restricted Persons each quarter. However, even if there is an Open Window Period, Restricted Persons may not trade in Company securities if they are aware of material nonpublic information about the Company.

Generally, all pending purchase and sale orders or other transactions involving Company securities that could be, but have not been, executed during the Open Window Period must be cancelled before it closes, unless those transactions are scheduled to occur under an approved Rule 10b5-1 Trading Plan. In addition, unless otherwise approved by the Chief Legal Officer or VP Law – Finance and Compliance, or other comparable executive responsible for securities compliance (the “Designated Officer”), Restricted Persons should not make any election outside of the Open Window Period under any employee benefit plan that will result in a transaction in Company securities, including any election to change the amount that is contributed to or held in Company stock under the Company’s 401(k) plan or similar thrift plans.

From time to time the Company may impose a blackout on transactions outside of the Open Window Period due to developments involving material nonpublic information. In such events, the Company will notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities and should not disclose to others the fact that the trading blackout has been imposed.

D. Preclearance

The Company requires Section 16 Persons and other executive officers who have been notified that they are subject to this provision to contact the Chief Legal Officer or VP Law – Finance and Compliance, or other comparable executive responsible for securities compliance (the “Designated Officer”) in advance of the Restricted Person effecting any purchase, sale, gift, or other transaction involving Company securities, including a stock plan transaction such as an option exercise, transfers to or

from a trust, or any other transfer, and obtain prior approval of the transaction from the Designated Officer. Requests should be submitted to the Designated Officer at least two trading days in advance of the proposed transaction. The Designated Officer will then determine whether the transaction may proceed. This preclearance policy applies even if the Restricted Person is initiating a transaction during an Open Window Period.

If a transaction is approved under the preclearance policy, the transaction should be entered into within five trading days after the approval is obtained, but regardless may not be executed if the Restricted Person acquires material nonpublic information concerning the Company before engaging in the transaction. If a transaction is not effected within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the preclearance policy, the Restricted Person should refrain from initiating any transaction in Company securities and should not inform anyone within or outside of the Company of the restriction.

E. Sales of Company Common Stock

The Company requires sales or transfers by Section 16 Persons and other executive officers who have been notified that they are subject to this provision to occur pursuant to an Exchange Act Rule 10b5-1 Trading Plan that satisfies the restrictions in Appendix A, "*Guidelines for Rule 10b5-1 Trading Plans,"* unless the Designated Officer grants an exception. Shares of common stock or units representing ownership of the Company's common stock owned by Executives in any Company 401(k) plan (or similar thrift plans) are exempt from the requirements set forth in this Section E and, therefore, such shares or units may be sold or transferred without establishing a Rule 10b5-1 Trading Plan. However, any such sale or transfer must be pursuant to an election or instruction that is (i) made during an Open Window Period *and* when such Executive is not in possession of material nonpublic information regarding the Company, and (ii) pre-cleared by the Designated Officer.

F. Restrictions on Discretionary Trading by Third Party Managers

In order to avoid inadvertent violations of the insider trading laws, Section 16, and Company policies, Section 16 Persons and other executives who are subject to the preclearance requirements set forth in Section D above should deliver written instructions to any third party broker or investment advisor or manager who has authority to execute trades on their behalf (including under any "managed account") expressly prohibiting their broker or advisor from executing transactions involving Company common stock in or for the benefit of any account owned by, or attributable to, them without first obtaining their consent to any such transaction. Section 16 Persons and others subject to the preclearance requirements should satisfy those notice and pre-clearance requirements discussed above prior to consenting to any such transaction.

G. Restrictions on Pledging Company Securities

Section 16 Persons may not pledge, deliver as collateral, or otherwise subject to a security interest any shares (restricted or otherwise) of Company common stock or options or other rights to acquire such stock. The foregoing also expressly prohibits the pledge or delivery of Company common stock or options or other rights to acquire such stock to open or maintain any margin or similar account. All of these arrangements may result in a sale of Company common stock without notice to, or consent of, the Section 16 Person. Such involuntary sales could result in short-swing profit liability under Section 16 of the Securities Exchange Act or violate this Policy, the insider trading provisions of the Exchange Act, or certain provisions of the Exchange Act adopted pursuant to the Sarbanes-Oxley Act of 2002.

Shares of Company common stock owned by executives who are not Section 16 Persons that exceed an executive's stock ownership target may be pledged, although the Company cautions executives from entering into such transactions, and any such pledge should not represent a significant amount of an executive's holdings of Company common stock. Pledged Company common stock is not included in overall stock ownership shares and significant pledging of Company common stock may be considered a governance risk or oversight failure, which could result in negative implications to the Company.

VI. Questions

Any questions about this Policy should be directed to:

VP Law – Finance and Compliance
Union Pacific Corporation
1400 Douglas Street, Stop 1580
Omaha, Nebraska, 68179
or (402) 544-3440

Last Updated: October 1, 2024
Last Reviewed: October 1, 2024

Appendix A

Guidelines for Rule 10b5-1 Trading Plans

As discussed in the Policy, Rule 10b5-1 provides an affirmative defense from insider trading liability. All Section 16 Persons and other executive officers who have been notified that they are subject to the requirements in Part V, Section E of the Policy may sell or otherwise transfer shares of Company common stock in the open market or to another person or entity only pursuant to an Exchange Act Rule 10b5-1 trading plan that satisfies the following restrictions, unless the Chief Legal Officer or VP Law – Finance and Compliance, or other comparable executive responsible for securities compliance (the "Designated Officer") grants an exception. Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The Designated Officer will interpret and administer these guidelines for compliance with Rule 10b5-1, the Policy and the requirements below. No personal legal or financial advice is being provided by the Designated Officer regarding any Rule 10b5-1 Trading Plan or proposed trades. Restricted Persons remain ultimately responsible for ensuring that their Rule 10b5-1 Trading Plans and contemplated transactions fully comply with applicable securities laws. It is recommended that Restricted Persons consult with their own attorneys or other advisors about any contemplated Rule 10b5-1 Trading Plan. Note that for any Section 16 Person, the Company is required to disclose the material terms of his or her Rule 10b5-1 Trading Plan (and may be required to disclose the material terms of Rule 10b5-1 Trading Plans of Family Members and Controlled Entities of such persons), other than with respect to price, in its Form 10-K or Form 10-Q for the quarter in which the Rule 10b5-1 Trading Plan is adopted, as well as disclosing any termination or modification of a Rule 10b5-1 Trading Plan.

1. The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Designated Officer. It is recommended that you submit Rule 10b5-1 Trading Plans to the Designated Officer several days prior to when you plan to enter into the plan to allow for review and preclearance in accordance with the procedures set forth in the Policy and these guidelines. The Company may require use of a standardized form of Rule 10b5-1 trading plan.

2. All Executive Officers and other Restricted Persons subject to the Company's stock ownership guidelines may sell or otherwise transfer shares of Company common stock in the open market or to another person or entity only if they have satisfied the applicable ownership target set forth in the stock ownership guidelines, and may only sell shares of Company common stock that exceed their ownership target ("Eligible Shares").

3. Eligible Shares may only be sold or transferred pursuant to a written Exchange Act Rule 10b5-1 trading plan that:
   (i) is adopted during an Open Window Period, when a trading blackout is not in effect *and* when such Executive is not in possession of material nonpublic information regarding the Company,
   (ii) has been reviewed and approved by the CLO or VP Law – Finance and Compliance,
   (iii) complies with the requirements of Rule 10b5-1(c) of the Exchange Act,
   (iv) provides that no transaction will occur until the applicable "cooling off" period under Rule 10b5-1(c)(1)(ii)(B) is satisfied (generally, for Section 16 Persons, at least 91 days from the date the trading plan is entered into, and for others, at least 31 days from the date the trading plan is entered into),
   (v) provides that the plan was entered into in good faith and cannot be suspended, modified, or terminated without approval from the Designated Officer, and
   (vi) provides that no more than 50% of the shares to be sold under the trading plan can be sold in any one calendar week.

4. The total sales of Eligible Shares during any calendar year may not exceed 50% of the total shares of Company common stock beneficially owned by the person entering into the trading plan, using the immediately preceding

February 1st as the measurement date. For purposes of these guidelines, the number of shares beneficially owned will be calculated in accordance with the Company's stock ownership guidelines.

5. Modifications, amendments and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks, and can affect the validity of trades that have taken place under the plan prior to such modification, amendment or termination. If a Restricted Person is considering any modification or amendment to or termination of a Rule 10b5-1 trading plan, that person should consult with the Designated Officer in advance. Any modification, amendment or termination of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Designated Officer in accordance with preclearance procedures set forth in the Policy and these guidelines.

Exhibit 21

SIGNIFICANT SUBSIDIARIES OF UNION PACIFIC CORPORATION

Name of Corporation	State of Incorporation
Union Pacific Railroad Company	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Post-Effective Amendment No.1 to Registration Statement No. 33-12513, Registration Statement No. 33-53968, Registration Statement No. 33-49785, Registration Statement No. 33-49849, Registration Statement No. 333-10797, Registration Statement No. 333-88709, Registration Statement No. 333-42768, Registration Statement No. 333-106707, Registration Statement No. 333-106708, Registration Statement No. 333-105714, Registration Statement No. 333-105715, Registration Statement No. 333-116003, Registration Statement No. 333-132324, Registration Statement No. 333-155708, Registration Statement No. 333-170209, Registration Statement No. 333-170208, Registration Statement No. 333-188671, Registration Statement No. 333-260789, Registration Statement No. 333-260788, Registration Statement No. 333-256460, Registration Statement No. 333-276121, and Registration Statement No.333-276122 on Form S-8, Registration Statement No. 333-214407, Registration Statement No. 333-236860, Registration Statement No. 333-258422, and Registration Statement No. 333-252948 on Form S-4, and Registration Statement No. 333-201958, Registration Statement No. 333-222979, Registration Statement No. 333-252947, and Registration Statement No. 333-277044 on Form S-3 of our reports dated February 7, 2025, relating to the consolidated financial statements of Union Pacific Corporation and Subsidiary Companies (the Corporation), and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Omaha, Nebraska
February 7, 2025

Exhibit 24

UNION PACIFIC CORPORATION
Powers of Attorney

Each of the undersigned directors of Union Pacific Corporation, a Utah corporation (the Company), do hereby appoint each of V. James Vena and Craig V. Richardson his or her true and lawful attorney-in-fact and agent, to sign on his or her behalf the Company's Annual Report on Form 10-K, for the year ended December 31, 2024, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney as of February 6, 2025.

/s/ William J. DeLaney
William J. DeLaney

/s/ David B. Dillon
David B. Dillon

/s/ Sheri H. Edison
Sheri H. Edison

/s/ Teresa M. Finley
Teresa M. Finley

/s/ Deborah C. Hopkins
Deborah C. Hopkins

/s/ Jane H. Lute
Jane H. Lute

/s/ Michael R. McCarthy
Michael R. McCarthy

/s/ Doyle R. Simons
Doyle R. Simons

/s/ John K. Tien Jr.
John K. Tien, Jr.

/s/ John P. Wiehoff
John P. Wiehoff

/s/ Christopher J. Williams
Christopher J. Williams

Exhibit 31(a)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, V. James Vena, certify that:

1. I have reviewed this annual report on Form 10-K of Union Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2025

/s/ V. James Vena

V. James Vena
Chief Executive Officer

Exhibit 31(b)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jennifer L. Hamann, certify that:

1. I have reviewed this annual report on Form 10-K of Union Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2025

/s/ Jennifer L. Hamann

Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Union Pacific Corporation (the Corporation) on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, V. James Vena, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ V. James Vena
V. James Vena
Chief Executive Officer
Union Pacific Corporation

February 7, 2025

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Union Pacific Corporation (the Corporation) on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jennifer L. Hamann, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer
Union Pacific Corporation

February 7, 2025

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 7

Union Pacific / Keene Water System
Trial Balance

Keene Acct Number	Desc	Revised Balance @ 12/31/2023	Asset Adj	Revised Balance @ 12/31/2023 w/ Asset Adj	Debit	Credit	Revised Balance @ 12/31/2024
311	Pumping Equipment	58,539	-	58,539	-	-	58,539
317	Other Water Source Plant	-	-	-	5,427	-	5,427
330	Reservoirs, Tanks, Standpipes	502,497	-	502,497	-	-	502,497
331	Water Mains	1,350,130	3,802	1,353,932	3,802	-	1,353,932
101	Water Plant in Service	1,911,166	3,802	1,914,968	9,229	-	1,920,395
105	Construction Work in Progress	-	-	-	-	-	-
108	Accum Depreciation	(749,647)	(1,311)	(750,958)	-	(49,208)	(798,855)
141	Accounts Receivable - Customers	49,775	-	49,775	9,938	(49,775)	9,938
180	Deferred Charges	54,905	-	54,905	148,854	-	203,759
215	Retained (Earnings)/Deficit	6,087,855	1,311	6,089,166	448,669	-	6,536,524
233	Customer Deposits	-	-	-	-	-	-
231	Accounts Payable	(7,449)	-	(7,449)	7,449	(4,438)	(4,438)
253	Other Credits	(7,346,605)	(3,802)	(7,350,407)	172,169	(692,887)	(7,867,323)
		-		-		-	-
462.1	Public Fire Protection	(4,980)	-	(4,980)	-	(16,668)	(16,668)
470.1	Residential/Dwelling Units	(60,611)	-	(60,611)	-	(62,058)	(62,058)
470.2	Commercial/Master Metered	(44,648)	-	(44,648)	-	(49,743)	(49,743)
400	Operating Revenues	(110,239)		(110,239)	-	(128,470)	(128,470)
610	Purchased Water	24,295	-	24,295	25,063	-	25,063
640	Materials	-	-	-	-	-	-
650	Contract Work	60,843	-	60,843	59,616	(5,427)	54,189
660	Transportation Expense	370,175	-	370,175	418,892	-	418,892
676	Uncollectible accounts exp	1,283	-	1,283	20,078	-	20,078
678	Office Services and Rentals	-	-	-	4,085	-	4,085
681	Office Supplies and Expense	-	-	-	263	-	263
682	Professional services	-	-	-	-	-	-
688	Regulatory Compliance Expense	1,554	-	1,554	2,744	-	2,744
689	General exp	-	-	-	-	-	-
401	Operating Expenses	458,150		458,150	530,741	(5,427)	525,314
403	Depreciation Expense	47,779	95	47,874	47,897	-	47,897
408.3	Taxes Other than Income Taxes	2,255	-	2,255	7,005	(4,389)	2,616
	Net (income)/loss	397,945		398,040			447,358

Exhibit 8

Received _____

Examined _____

U# _____

CLASS D
WATER UTILITIES

Restated
2024
ANNUAL REPORT
OF

Keene Wate System

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

Attn: Robert Bylsma 9451 Atkinson Street, Roseville, CA 95747

(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2024

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2025

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INSTRUCTIONS

1. One completed and signed electronic copy must be filed **NO LATER THAN APRIL 30, 2025** via email to: **Kevin Truong** at **vt4@cpuc.ca.gov** and **water.division@cpuc.ca.gov**

2. If an electronic copy cannot be filed, provide two signed hard copies by post to:
   CALIFORNIA PUBLIC UTILITIES COMMISSION
   WATER DIVISION
   ATTN: KEVIN TRUONG
   505 VAN NESS AVENUE, ROOM 3200
   SAN FRANCISCO, CALIFORNIA 94102-3298

3. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.

4. The Declaration on Page 22 must be signed by an authorized officer, partner, or owner.

5. The report must be prepared in accordance with the CPUC Excel annual report template. The Excel file and a PDF of the file is to be submitted to the Commission.

6. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK**. Insert the words "none" or "not applicable" or "n/a" when appropriate. When entering dollar amounts, enter whole dollars.

7. Certain balance sheet and income statement accounts refer to supplemental schedules. Complete the supplemental schedules **FIRST.** The balances in these schedules will then auto-fill the appropriate boxes in the balance sheet/income statement. Total and subtotal boxes are automatically summed in Excel. Auto-filled and summed boxes are Excel locked and identified by a light coloring of the box. Uncolored boxes can be manually filled. Complete the statements by filling in the uncolored boxes where appropriate.

8. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.

9. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in <u>one separate electronic file</u> in Microsoft Excel format and file it with the electronic file of this report.

10. This report must cover the calendar year from January 1, 2024 through December 31, 2024. Fiscal year reports will not be accepted.

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Keene Water System

(Name under which corporation, partnership or individual is doing business)

Union Pacific Railroad Company Attn: Robert Bylsma 9451 Atkinson Street, Roseville, CA 95747

(Official mailing address)

Communities of Keene and Woodford in Kern County

(Service Area - Town and County)

Telephone Number: 281-350-7533 **Fax Number:** 402-997-4288

Email Address: RCBYLSMA@UP.COM

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:
   (A) Date of organization N/A incorporated in the State of N/A
   (B) Names, titles and addresses of principal officers: N/A

2 If unincorporated provide the name and address of the owner(s) or the partners:

3 Name, title, email, and telephone number of:
   (A) One person listed above to receive correspondence: Robert Bylsma, Sr General Attorney, RCBYLSMA@UP.COM, 281-350-7533
   (B) Person responsible for operations and services: Robert Bylsma, Sr General Attorney, RCBYLSMA@UP.COM, 281-350-7533

4. Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No
   If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?

5. State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

PUBLIC HEALTH STATUS	Yes	No	Latest Date
6. Has state or local health department inspection been made during the year?		x	9/28/21
7. Are routine laboratory tests of water being made?	x		12/2/24
8. Has state health department water supply permit been obtained? (Indicate date)	x		6/15/16
9. If no permit has been obtained, state whether application has been made and when.			
10. Show expiration date if state permit is temporary.			

11. List Name, Grade, and License Number of all Licensed Operators:

    Dennis Gatson T2-Lic.# 31023 / D2-Lic # 36709

12. This annual report was prepared by:

    Name of firm or consultant: N/A

    Address of firm or consultant: N/A
    Email address of firm or consultant:

    Phone Number of firm or consultant: N/A

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2024:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/ Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-tariffed Goods/ Services (by account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/ Services (by account)	Regulated Asset Account Number
1	N/A										
2											
3											
4											
5											
6											
7											
8											
9											
10											

SCHEDULE A
BALANCE SHEET
Assets and Other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1.1		**UTILITY PLANT**		
2.1	101	Water Plant in Service (Excluding SDWBA/SRF, Grant Funds)	A-1, A-1a	1,920,395
3.1	101.1	Water Plant in Service - SDWBA/SRF	A-1, A-1b	-
4.1	101.2	Water Plant in Service - Grant Funds	A-1, A-1c	-
5.1	101.3	Water Plant in Service - Other	A-1	-
6.1	103	Water Plant Held for Future Use	A-1	-
7.1	104	Water Plant Purchased or Sold	A-1	-
8.1	105	Construction Work in Progress - Water Plant	A-1	-
9.1	105.1	Construction Work in Progress - SDWBA/SRF	A-1	-
10.1	105.2	Construction Work in Progress - Grant Funds	A-1	-
11.1	105.3	Construction Work in Progress - Other	A-1	-
12.1	114	Water Plant Acquisition Adjustments	A-1	-
13.1		Total Utility Plant		$ 1,920,395
14.1	108	Accumulated Depreciation of Water Plant	A-2	(798,855)
15.1	108.1	Accumulated Amortization of SDWBA/SRF loan	A-2	-
16.1	108.2	Accumulated Depreciation of Water Plant - Grant Funds	A-2	-
17.1	108.3	Accumulated Depreciation of Water Plant - Other	A-2	-
18.1		Total Accumulated Depreciation/Amortization		$ (798,855)
19.1		Net Utility Plant		$ 1,121,540
20.1				
21.1		**INVESTMENTS**		
22.1	121	Non-utility Property and Other Assets		
23.1	122	Accumulated Depreciation of Non-Water Utility Property	A-2	-
24.1		Net non-utility property		$ -
25.1	123	Investments in Affiliated Companies		
26.1	124	Other Investments		
27.1		Total Investments		$ -
28.1				
29.1		**CURRENT AND ACCRUED ASSETS**		
30.1	131	Cash		
31.1	132	Cash - Special Deposits		
32.1	141	Accounts Receivable - Customers		9,938
33.1	142	Receivables from Affiliated Companies		
34.1	143	Accumulated Provision for Uncollectible Accounts		
35.1	151	Materials and Supplies		
36.1	174	Other Current Assets		
37.1		Total current and accrued assets		$ 9,938
38.1				
39.1	180	Deferred Charges		203,759
40.1	181	Accumulated Deferred Income Tax Assets		
41.1				
42.1		**Total Assets and Other Debits**		$ 1,335,237

SCHEDULE A
BALANCE SHEET
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1.2		**CORPORATE CAPITAL AND RETAINED EARNINGS**		
2.2	201	Common Stock	A-3	-
3.2	204	Preferred Stock	A-4	-
4.2	206	Subchapter S Corporation Accumulated Adjustments Account	A-6	-
5.2	211	Other Paid-in Capital	A-7	-
6.2	215	Retained Earnings	A-8	(6,536,524)
7.2		Total corporate capital and retained earnings		$ (6,536,524)
8.2				
9.2		**PROPRIETARY CAPITAL**		
10.2	218	Proprietary Capital	A-9	-
11.2				
12.2		**LONG TERM DEBT**		
13.2	224	Long-term Debt	A-10	-
14.2				
15.2		**CURRENT AND ACCRUED LIABILITIES**		
16.2	230	Payables to Affiliated Companies		
17.2	231	Accounts Payable		4,438
18.2	232	Short-term Notes Payable		
19.2	233	Customer Deposits		
20.2	236	Taxes Accrued		
21.2	237	Interest Accrued		
22.2	241	Other Current Liabilities		
23.2		Total current and accrued liabilities		$ 4,438
24.2				
25.2		**DEFERRED CREDITS**		
26.2	252	Advances for Construction		-
27.2	253	Other Credits		7,867,323
28.2	255	Accumulated Deferred Investment Tax - Credits		
29.2	282	Accumulated Deferred Income Taxes - Accel. Tax Depreciation		
30.2	283	Accumulated Deferred Income Tax Liabilities		
31.2		Total deferred credits		$ 7,867,323
32.2				
33.2		**CONTRIBUTIONS IN AID OF CONSTRUCTION**		
34.2	265	Contributions in Aid of Construction		
35.2	272	Accumulated Amortization of Contributions (negative number)		
36.2		Net Contributions in Aid of Construction		$ -
37.2		**Total Liabilities and Other Credits**		$ 1,335,237

SCHEDULE A-1
UTILITY PLANT

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water Plant in Service (Sch A-1a)	1,914,968	5,427	-	-	$ 1,920,395
2	101.1	Water Plant In Service - SDWBA/SRF (Sch A-1b)	-	-	-	-	$ -
3	101.2	Water Plant In Service - Grant Funds (Sch A-1c)	-	-	-	-	$ -
4	101.3	Water Plant In Service - Other					$ -
5	103	Water Plant Held for Future Use (Sch A-1d)					$ -
6	104	Water Plant Purchased or Sold					$ -
7	105	Construction Work in Progress - Water Plant					$ -
8	105.1	Construction Work in Progress - SDWBA/SRF					$ -
9	105.2	Construction Work in Progress - Grant Funds					$ -
10	105.3	Construction Work in Progress - Other					$ -
11	114	Water Plant Acquisition Adjustments					$ -
12		**Total utility plant**	$ 1,914,968	$ 5,427	$ -	$ -	$ 1,920,395

*** Debit or credit entries should be explained by footnotes or supplementary schedules**

SCHEDULE A-1a
Account 101 - Water Plant in Service (Excluding SDWBA/SRF, Grant Funds)

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		**NON-DEPRECIABLE PLANT**					
2	301	Intangible Plant					$ -
3	303	Land					$ -
4		Total non-depreciable plant	$ -	$ -	$ -	$ -	$ -
5							
6		**DEPRECIABLE PLANT**					
7	304	Structures					$ -
8	307	Wells					$ -
9	311	Pumping Equipment	58,539				$ 58,539
10	317	Other Water Source Plant		5,427			$ 5,427
11	320	Water Treatment Plant					$ -
12	330	Reservoirs, Tanks and Standpipes	502,497				$ 502,497
13	331	Water Mains	1,353,932				$ 1,353,932
14	333	Services and Meter Installations					$ -
15	334	Meters					$ -
16	335	Hydrants					$ -
17	339	Other Equipment					$ -
18	340	Office Furniture and Equipment					$ -
19	341	Transportation Equipment					$ -
20		Total depreciable plant	$ 1,914,968	$ 5,427	$ -	$ -	$ 1,920,395
21		**Total water plant in service**	$ 1,914,968	$ 5,427	$ -	$ -	$ 1,920,395

*** Debit or credit entries should be explained by footnotes or supplementary schedules**

Footnotes:

SCHEDULE A-1b
Account 101.1 - Water Plant in Service - SDWBA/SRF

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		**NON-DEPRECIABLE PLANT**					
2	301	Intangible Plant					$ -
3	303	Land					$ -
4		Total non-depreciable plant	$ -	$ -	$ -	$ -	$ -
5							
6		**DEPRECIABLE PLANT**					
7	304	Structures					$ -
8	307	Wells					$ -
9	311	Pumping Equipment					$ -
10	317	Other Water Source Plant					$ -
11	320	Water Treatment Plant					$ -
12	330	Reservoirs, Tanks and Sandpipes					$ -
13	331	Water Mains					$ -
14	333	Services and Meter Installations					$ -
15	334	Meters					$ -
16	335	Hydrants					$ -
17	339	Other Equipment					$ -
18	340	Office Furniture and Equipment					$ -
19	341	Transportation Equipment					$ -
20		Total depreciable plant	$ -	$ -	$ -	$ -	$ -
21		**Total water plant in service**	$ -	$ -	$ -	$ -	$ -

*** Debit or credit entries should be explained by footnotes or supplementary schedules**

SCHEDULE A-1c
Account 101.2 - Water Plant in Service - Grant Funds

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		**NON-DEPRECIABLE PLANT**					
2	301	Intangible Plant					$ -
3	303	Land					$ -
4		Total non-depreciable plant	$ -	$ -	$ -	$ -	$ -
5							
6		**DEPRECIABLE PLANT**					
7	304	Structures					$ -
8	307	Wells					$ -
9	311	Pumping Equipment					$ -
10	317	Other Water Source Plant					$ -
11	320	Water Treatment Plant					$ -
12	330	Reservoirs, Tanks and Sandpipes					$ -
13	331	Water Mains					$ -
14	333	Services and Meter Installations					$ -
15	334	Meters					$ -
16	335	Hydrants					$ -
17	339	Other Equipment					$ -
18	340	Office Furniture and Equipment					$ -
19	341	Transportation Equipment					$ -
20		Total depreciable plant	$ -	$ -	$ -	$ -	$ -
21		**Total water plant in service**	$ -	$ -	$ -	$ -	$ -

*** Debit or credit entries should be explained by footnotes or supplementary schedules**

SCHEDULE A-2
Accounts 108, 108.1, 108.2, 108.3, 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 108 Accumulated Depreciation of Water Plant (b)	Account 108.1 Accumulated Amortization of SDWBA/SRF (c)	Account 108.2 Accumulated Depreciation of Water Plant - Grant Funds (d)	Account 108.3 Accumulated Depreciation of Water Plant - Other (e)	Account 122 Accumulated Depreciation of Non-Water Utility Property (f)
1	Balance in reserves at beginning of year	750,958				
2	Add: Credits to reserves during year					
3	(a) Charged to Account 272					
4	(b) Charged to Account 403	47,897				
5	(c) Charged to Account 407					
6	(d) Charged to Account 426					
7	(e) Charged to clearing accounts.					
8	(f) Salvage recovered					
9	(g) All other credits					
10	Total Credits	$ 47,897	$ -	$ -	$ -	$ -
11	Less: Debits to reserves during year					
12	(a) Book cost of property retired					
13	(b) Cost of removal					
14	(c) All other debits					
15	Total debits	$ -	$ -	$ -	$ -	$ -
16	Balance in reserve at end of year	$ 798,855	$ -	$ -	$ -	$ -
17						
18	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE %				2.50%	
19	(2) CPUC Authorization for Composite Depreciation Rate (CPUC Decision, Resolution, or Advice Letter):					
20						
21	(3) EXPLANATION OF ALL OTHER CREDITS:					
22						
23						
24						
25						
26	(4) EXPLANATION OF ALL OTHER DEBITS:					
27						
28						
29						
30						
31						
32	(5) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION					
33	(a) Straight line					
34	(b) Liberalized					
35	(1) Sum of the years digits					
36	(2) Double declining balance					
37	(3) Other					
38	(c) Both straight line and liberalized					

SCHEDULE A-3
Account 201 - Common Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding[1] (d)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1	N/A				$ -		$ -
2					$ -		$ -
3					$ -		$ -
4					$ -		$ -
5					$ -		$ -
6				Total	$ -		$ -

[1] After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-4
Account 204 - Preferred Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding[1] (d)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1	N/A						
2							
3							
4							
5							
6				Total	$ -		$ -

[1] After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-5
Record of Stockholders at End of Year

Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)
1				
2				
3				
4				
5				
6				
7				
8				
9	Total number of shares	-	Total number of shares	-

SCHEDULE A-6
Account 206 - Subchapter S Corporation Accumulated Adjustments Account

Line No.	Description of Items (a)	Amount (b)
1	Balance beginning of year	
2	Add: Credits	
3	Net Income	
4	Accounting Adjustments	
5	Total Credits	$ -
6	Less: Debits	
7	Net Loss	
8	Accounting Adjustments	
9	Dividends	
10	Total Debits	$ -
11	Balance end of year	$ -

SCHEDULE A-7
Account 211 - Other Paid in Capital (Corporations only)

Line No.	Description of Items (a)	Balance End of Year (b)
1	N/A	
2		
3		
4		
5	Total	$ -

SCHEDULE A-8
Account 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	(6,089,166)
2	Add: Credits	
3	Net income	(447,358)
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	$ (447,358)
7		
8	Less: Debits	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total Debits	-
15	Balance end of year	$ (6,536,524)

SCHEDULE A-9
Account 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	Add: Credits	
3	Net income	
4	Additional investments during year	
5	Other credits (detail):	
6		
7		
8	Total Credits	$ -
9	Less: Debits	
10	Net losses	
11	218.1 Proprietary Drawings	
12	Other debits (detail):	
13		
14		
15	Total Debits	$ -
16	Balance end of year	$ -

SCHEDULE A-10
Account 224 - Long-Term Debt

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8			Total	$ -		$ -	$ -

SCHEDULE B
INCOME STATEMENT

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
1		**UTILITY OPERATING INCOME**		
2	400	**Operating Revenues**	B-1	128,469
3				
4		**OPERATING REVENUE DEDUCTIONS**		
5	401	Operating Expenses	B-2	525,314
6	403	Depreciation Expense	A-2	47,897
7	407	SDWBA Loan Amortization Expense	A-2	-
8	408	Taxes Other Than Income Taxes	B-3	2,616
9	409	State Corporate Income Tax Expense	B-3	-
10	410	Federal Corporate Income Tax Expense	B-3	-
11		**Total operating revenue deductions**		$ 575,827
12		**Total utility operating income**		$ (447,358)
13				
14		**OTHER INCOME AND DEDUCTIONS**		
15	421	Non-Utility Income	B-4	-
16	426	Miscellaneous Non-Utility Expense	B-4	-
17	427	Interest Expense (excluding SDWBA)	B-5	-
18	427	Interest Expense (SDWBA)	B-5	-
19		**Total other income and deductions**		$ -
20		**Net income / <Loss>**		$ (447,358)

SCHEDULE B-1
Account 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)
1		**WATER SERVICE REVENUES**	
2	460	Unmetered water revenue	
3		460.1 Residential, Single-family, Multiple Dwelling Units	
4		460.2 Commercial and Miscellaneous	
5		460.3 Large Water Users	
6		460.4 Safe Drinking Water Bond Surcharge	
7		460.5 Other Unmetered Revenue	
8		Subtotal	$ -
9			
10	462	Fire protection and hydrant revenue	
11		462.1 Public Fire Protection	16,668
12		462.2 Private Fire Protection	
13		Subtotal	$ 16,668
14			
15	465	Irrigation revenue	
16			
17	470	Metered water revenue	
18		470.1 Residential, Single-family, Multiple Dwelling Units	62,058
19		470.2 Commercial and Multi-residential Master Metered	49,743
20		470.3 Large Water Users	
21		470.4 Safe Drinking Water Bond Surcharge	
22		470.5 Other Metered Revenues	
23		Subtotal	$ 111,801
24		Total water service revenues	$ 128,469
25			
26	480	Other water revenue	
27		Total Operating Revenues	$ 128,469

SCHEDULE B-2
Account 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)
1		**PLANT OPERATION AND MAINTENANCE EXPENSES**	
2		**VOLUME RELATED EXPENSES**	
3	610	Purchased Water	25,063
4	615	Power	
5	618	Other Volume Related Expenses	
6		Total volume related expenses	$ 25,063
7			
8		**NON-VOLUME RELATED EXPENSES**	
9	630	Employee Labor	-
10	640	Materials	
11	650	Contract Work	54,189
12	660	Transportation Expense	418,892
13	664	Other Plant Maintenance Expenses	
14		Total non-volume related expenses	$ 473,081
15		Total plant operation and maintenance exp.	$ 498,144
16			
17		**ADMINISTRATIVE AND GENERAL EXPENSES**	
18	670	Office Salaries	-
19	671	Management Salaries	-
20	674	Employee Pensions and Benefits	
21	676	Uncollectible Accounts Expense	20,078
22	678	Office Services and Rentals	4,085
23	681	Office Supplies and Expenses	263
24	682	Professional Services	
25	684	Insurance	
26	688	Regulatory Compliance Expense	2,744
27	689	General Expenses	
28		Total administrative and general expenses	$ 27,170
29	800	Expenses Capitalized - Credit (Optional)	
30	900	Clearing Accounts (Optional)	
31		Net administrative and general expense	$ 27,170
32		Total Operating Expenses	$ 525,314

SCHEDULE B-3
Accounts 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Distribution of Taxes Charged: Water (b)	Distribution of Taxes Charged: Nonutility (c)	Total Taxes Charged During Year (d)
1	408 Taxes other than income taxes:			
2	408.1 Property taxes			$ -
3	408.2 Payroll taxes			$ -
4	408.3 Other taxes and licenses	2,616		$ 2,616
5	Total taxes other than income taxes	$ 2,616	$ -	$ 2,616
6				
7	409 State corporate income tax			$ -
8	410 Federal corporate income tax			$ -
9	Total income taxes	$ -	$ -	$ -
10				
11	Total	$ 2,616	$ -	$ 2,616

SCHEDULE B-4
Accounts 421, 426 - Income and Expense from Non-Utility Operations

Line No.	Description (a)	Non-Utility Income Acct. 421 (b)	Miscellaneous Non-Utility Expense Acct. 426 (c)
1	N/A		
2			
3			
4			
5	Total	$ -	$ -

SCHEDULE B-5
Account 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Interest on SDWBA loan	
2	Interest on other (give details below):	
3		
4		
5		
6		
7		
8		
9		
10	Total	$ -

SCHEDULE C -SOURCES OF SUPPLY AND WATER DEVELOPED WELLS					
Location	No.	Diam. Inch	Depth to Water Feet	Pumping Capacity (g.p.m.)	Annual Quantities Pumped
OTHER					
Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit

Purchased water (unit)	
Supplier:	Annual Quantity
City of Tehachapi, CA	7877754

SCHEDULE D - WATER DELIVERED TO METERED CUSTOMERS (If figures are available) (specify unit)			
	Month of Year		Total for Year
Classification of Service	Maximum	Minimum	
Residential	198,802	92,759	1,796,243
Commercial	464,544	84,321	2,636,427
Industrial	54,529	6,956	348,189
Fire Protection			
Irrigation			
Other (specify)			
		Total	4,780,859

SCHEDULE E - EMPLOYEES AND THEIR COMPENSATION						
Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor				$ -
2	670	Office salaries				$ -
3	671	Management salaries				$ -
4		Total	-	$ -	$ -	$ -

SCHEDULE F - ADVANCES FOR CONSTRUCTION	
Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	$ -
Refunds	
Transfers to Acct. 265 - Contributions in Aid of Construction	
Balance end of year	$ -

SCHEDULE G - TOTAL METERS AND SERVICES (Active and Inactive)		
Size	Meters	Services
5/8 x 3/4-in		
3/4-in	33	33
1-in	2	2
2-in	2	2
-in		
-in		
Total	37	37

SCHEDULE H - METER TESTING DATA	
Number of meters tested during year	
1 Used, before repair	
2 Used, after repair	
3 Fast, requiring refund	
Numbers of meters in service requiring test per General Order No. 103	

SCHEDULE I - SERVICE CONNECTIONS AT END OF YEAR								
	Active			Inactive			Total connections	
Classification	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	22		22	12		12	34	-
Industrial/Commercial	2		2			-	2	-
Irrigation			-			-	-	-
Fire Protection (public)	1		1			-	1	-
Fire Protection (private)			-			-	-	-
Other (specify)			-			-	-	-
			-			-	-	-
Total	25	-	25	12	-	12	37	-

NOTE: Total connections (metered plus flat) should agree with total services in Schedule G.

SCHEDULE J - STORAGE FACILITIES		
Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood		
Steel	2	50,000
Other		
Total	2	50,000

SCHEDULE K - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals
Cast Iron					-
Welded steel					-
Standard screw					-
Cement-asbestos					-
Plastic			2,925	10,000	12,925
Other (specify)	925				925
					-
					-
Total	925	-	2,925	10,000	13,850

SCHEDULE L

FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund (SRF) loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

   Name: N/A
   Address:
   Phone Number:
   Account Number:
   Date Hired:

2. Total surcharge collected from customers during the 12 month reporting period:

   $ -

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
5/8 X 3/4 inch		
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
Total	-	

3. Summary of the bank account activities showing:

Balance at beginning of year	$
Add: Surcharge collections	
Interest earned	
Other deposits	
Less: Loan payments	
Bank charges	
Other withdrawals	
Balance at end of year	$ -

4. Reason for other deposits/withdrawals

5. Total Accumulated Reserve: $

SCHEDULE M
FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: N/A
Address: _____
Account Number: _____
Date Opened: _____

2. Facilities Fees collected for new connections during the calendar year:

A. Commercial

NAME	AMOUNT
	$
	$
	$
	$
	$

B. Residential

NAME	AMOUNT
	$
	$
	$
	$
	$

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	$
Deposits during the year	$
Interest earned for calendar year	$
Withdrawals from this account	$
Balance at end of year	$ -

4. Reason or Purpose of Withdrawal from this bank account:

_____
_____
_____
_____
_____
_____

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Barbara I. Orr
Officer, Partner, or Owner (Please Print)

of Keene Water System
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2024 through December 31, 2024.

Director - Financial Reporting	
Title (Please Print)	Signature
(402) 544-3095	March 24, 2025
Telephone Number	Date

Exhibit 9

KWS's Estimated Timeline for Rate Case and Withdrawal Applications[1]

Event	Estimated Date
Withdrawal application and opening testimony	March 28, 2025
Rate case application and opening testimony	March 28, 2025
Discovery	April 2025 –August 2025
Intervenor Protests to applications (30 days of the date the notice of the filing of the application first appears in CPUC Daily Calendar)	Late April/May 2025
Reply to Protests (10 days after deadline for protest)	May 2025
Compliance Filing (Notices)	May 2025
Prehearing Conference	May 2025
Issuance of Scoping Ruling	May 2025
Public Participation Hearing	June 2025
Intervenor Testimony	June 2025
Rebuttal Testimony	August 2025
Required meet and confer and/or ADR (10 days after rebuttal)	August 2025
Pre-hearing status conference	August 2025
Stipulated facts and exchange of witness and exhibit lists	August 2025
Evidentiary Hearings (3-5 Days)	September 2025
Opening Briefs	October 2025
Reply Briefs	November 2025
Water Division Technical Conference	November 2025
Proposed Decision	December 2025
Issuance of Final Decision	January 2026[2]

[1] KWS seeks to consolidate the rate case and withdrawal applications as explained further in the motions to consolidated field with each application.

[2] In the event the Commission is unable to resolve the applications by January 2026, KWS plans to bring a motion for interim rate relief to avoid further significant shortfalls.

Exhibit 10

BUILDING AMERICA®

April ___, 2025

UNION PACIFIC RAILROAD COMPANY (KEENE WATER SYSTEM) APPLICATIONS SEEKING AUTHORITY TO CEASE OPERATIONS OR IMPLEMENT RATE INCREASES (CPUC APPLICATIONS A._____ AND A._____)

Why am I receiving this notice?

On _____, 2025, Union Pacific Railroad Company (Union Pacific) submitted two applications with the California Public Utilities Commission (CPUC) with respect to the water system that it operates in the communities of Keene and Woodford in Kern County. This water system, commonly known as the "Keene Water System," is experiencing financial distress and has been unprofitable for many years. To address these circumstances and the high costs of delivering water to these remote communities, Union Pacific has made two proposals to the CPUC in separate but related applications. One application seeks authority for Union Pacific to withdraw as a provider of water service to the area, and the second application requests rate increases necessary to generate approximately $706,400 in additional revenue to recover the increased costs of service to the area. The proposed rate adjustments are expected to generate increases in average monthly bills for customers of between 345% and 630%. The CPUC applications are identified as A._____ and A._____, and further information about these proceedings can be found by visiting apps.cpuc.ca.gov/p/AXXXXXXX and apps.cpuc.ca.gov/p/AXXXXXXX. The following charts summarize each of the rates that Keene Water System proposes to implement in its rate application, with a proposed January 1, 2026, effective date:

Quantity Charge Changes

	Old Rates	New Rates (Proposed 1/1/2026)	Increase	
Quantity Charge (per 1,000 gal)	$10.29	$146.39	$136.10	1,323%

Service Charge Changes

	Old Rates		New Rates (Proposed 1/1/2026)			
Meter Size	**Service Charge**	**Rate Based Surcharge**	**Service Charge**	**Rate Based Surcharge**	**Increase (Decrease)**	
5/8" x 3/4"	$108.27	$63.83	$100.07	$129.49	$57.46	33%
3/4"	$162.41	$95.75	$100.07	$129.49	($28.60)	(11%)
1"	$270.67	$159.58	$250.18	$323.73	$143.66	33%
1 1/2"	$541.33	$319.16	$500.35	$647.45	$287.31	33%
2"	$866.14	$510.66	$800.56	$1,035.92	$459.68	33%

How does the CPUC's process work?

These applications will be assigned to one or more Administrative Law Judges who will manage the proceedings, consider the proposals, and hear evidence presented by Union Pacific and any other parties who choose to participate in the process. Following an examination of all evidence submitted and input from all parties, the Administrative Law Judge assigned to each proceeding will render a proposed decision for consideration by the CPUC Commissioners at a public CPUC voting meeting.

Where can I get more information?

You may contact Union Pacific regarding this matter using the following contact information:

Union Pacific Railroad Company, Keene Water System
Attn: Peggy J. Ygbuhay
9451 Atkinson St.
Roseville, CA 95747
Phone: (916) 789-5957.
Fax: (402) 997-4288
E-mail: pygbuhay@up.com

You may also contact the CPUC's Water Division staff using the following contact information:

California Public Utilities Commission
Division of Water and Audits, Room 3106
505 Van Ness Avenue
San Francisco, CA 94102
Fax: (415) 703-4426
E-mail: water.division@cpuc.ca.gov

In addition, you have the option to submit comments regarding the proceedings by visiting the formal dockets at the following links: apps.cpuc.ca.gov/c/AXXXXXXX (withdrawal application); apps.cpuc.ca.gov/c/AXXXXXXX (rate increase application). Your participation can help the Commission make an informed decision about these matters.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
Email: Public.Advisor@cpuc.ca.gov
Mail: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Please reference Applications A._____ and/or A._____ in any communications you have with the CPUC regarding this matter.