

MEMORANDUM OF AGREEMENT

BETWEEN

UNION PACIFIC RAILROAD COMPANY (THE "COMPANY")

AND

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN (THE
"ORGANIZATION")

2021 Employee Stock Purchase Plan

Pursuant to the March 25, 2021 Union Pacific Railroad Board of Directors approval and recommendation for submission to the shareholders for their adoption the Union Pacific Corporation 2021 Employee Stock Purchase Plan ("ESPP"), it is agreed that the following will apply to the ESPP, it adopted:

- (1) *Eligibility.* All BLET-represented employees actively employed by the Company are eligible to participate in the ESPP. The term "actively employed" as used herein means that an employee has earnings in a pay period from which shares may be purchased via payroll deduction pursuant to Paragraph (3).
- (2) *Administration.* The ESPP will be administered by the Compensation and Benefits Committee or such other committee (including one or more officers of the Company) as designated by the Board of Directors (the Committee). The Committee has the authority to take any and all actions necessary to implement the ESPP and to interpret the ESPP, to prescribe, amend and rescind rules and regulations relating to the ESPP, and to make all other determinations necessary or advisable in administering the ESPP. All of such actions, interpretations and determinations shall be final and binding upon all persons.
- (3) *Purchase of Shares.* Each eligible employee may elect regular payroll deductions up to any maximum determined by the Committee to be used to purchase shares of common stock at monthly intervals (or at such other times as determined by the plan administrator). The total amount of payroll deductions for a participating employee may not exceed \$15,000 in any calendar year (or such other limit determined by the Committee). A participating employee may elect at any time to increase, decrease, or eliminate his or her regular payroll deduction. Shares of common stock are purchased under the ESPP on the 15th day of each month (or the most recent business day) (an "investment date"), or at such other times as determined by the Committee.
- (4) *Matching Contribution; Purchase Price.* Each employee who participates in the ESPP will receive a matching contribution from the Company equal to 40% of the amount of such employee's contributions to the ESPP for the first 5% of the participating employee's base compensation in each payroll period that is contributed. This matching

contribution is combined with the participating employee's contributions and used to purchase common stock under the ESPP at a purchase price equal to the fair market value of the common stock on the applicable investment date. See Attachment 1 for examples.

- (5) *Federal Income Tax Consequences.* The ESPP is not a tax-qualified employee stock purchase plan under Internal Revenue Code section 423. On the date of each payroll contribution, a participant will have ordinary income equal to amount of the Company-paid match described above. The employee's tax capital gains holding period will commence on the investment date. This general discussion of the U.S. federal income tax consequences of participation in the ESPP is intended for the information of the parties considering this Agreement and not as tax guidance to participants in the ESPP.
- (6) *Holding Requirement.* All shares purchased under the ESPP may not be sold or transferred by the participant until the first to occur of (i) the participant's termination of employment for any reason or (ii) the first anniversary of the investment date.
- (7) *Effect of Termination of Employment.* If an eligible employee's employment is terminated for any reason (including death), any amount withheld prior to such termination will be used to purchase shares on the next investment date, unless the participating employee (or beneficiary) elects to receive such amount in cash.
- (8) *Change in Capital structure.* In the event of a stock dividend, spin-off, stock split or combination of shares, recapitalization or merger in which the Company is the surviving corporation or other change in the common stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the number and kind of shares of stock or securities of the Company to be subject to the ESPP, the maximum number of shares or securities that may be delivered under the ESPP, the purchase price and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons.
- (9) *Amendment and Termination.* The Board of Directors in its sole discretion may at any time amend the ESPP in any respect provided that such amendment is in compliance with all applicable laws and regulations and the requirements of any national securities exchange on which shares of common stock are then traded. The ESPP will terminate on the investment date that participants become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase or at any earlier date determined by the Board of Directors.
- (10) *Preservation of Parties' Positions.* This Agreement shall be non-referable by either party in any ongoing or future Section 6 negotiations, in any arbitral, judicial, or administrative forums, or in any future discussions or disputes, except to enforce this Agreement. Without prejudice to either party's position about the Carrier's ability to

offer the ESPP to its employees. the Organization agrees that it will not assert or bring claims against the Company alleging that in offering the ESPP to its employees, 1) the Company has unilaterally changed rates of pay, rules or working conditions for its employees represented by the Organization, or 2) the Company has dealt directly with its employees.

Signed this 19th day of May 2021.

For the Organization:

For the Company:

Steve A. Johnson
General Chairman

J. P. [unclear]
Director

J. Logan
James Logan (May 19, 2021 11:36 CDT)
General Chairman

Richard e Crow
Richard e Crow (May 19, 2021 10:00 PDT)
General Chairman

B. Wilder
Director

Brian Carr
Brian Carr (May 19, 2021 10:16 PDT)
General Chairman

Ronnie Rhodes
Ronnie Rhodes (May 19, 2021 12:38 CDT)
General Chairman

Rebecca Cates
Director

Chad M Lambert
General Chairman

Attachment I to MOA re: 2021 ESPP

Matching Contribution Examples

Employee Stock Purchase Plan (Non-Qualified)

Salary Deferral & Company Match Examples*

Assumptions	<u>Employee A</u>	<u>Employee B</u>	<u>Employee C</u>	<u>Option D</u>
Monthly Salary	\$5,000	\$6,667	\$8,333.33	\$6,667
Annual Salary	\$60,000	\$80,000	\$100,000	\$80,000
				<i>Example of >5% salary defer</i>
Design Feature				
Employee Salary Contribution	5%	5%	5%	10%
Company Match	40%	40%	40%	40%
Employee Monthly Purchase	\$250	\$333	\$417	\$667
Monthly Company Match (imputed income)	\$100	\$133	\$167	\$133
Monthly Total Purchase	\$350	\$467	\$583	\$800
Annual Employee Purchase/Benefit				
Annual Purchase (Employee)	\$3,000	\$4,000	\$5,000	\$8,000
Annual Purchase (Company)	\$1,200	\$1,600	\$2,000	\$1,600
Total Annual Purchase	\$4,200	\$5,600	\$7,000	\$9,600

* The Employee Stock Purchase Plan is subject to shareholder approval on May 13, 2021. The above examples are for illustrative purposes only and subject to certain adjustments during the process of implementation with an external stock plan administrator.