

## Union Pacific Anti-Bribery and Anti-Corruption Policy

Union Pacific is committed to doing business with integrity. As stated in the Company's Statement of Policy on Ethics and Business Conduct, [The How Matters](#), part of doing business with integrity is not tolerating bribery and corruption.

Employees, executives, directors, and third parties acting on behalf of Union Pacific must not provide improper payments to influence or appear to influence a business decision or otherwise engage in corrupt behavior when dealing with domestic or foreign government officials. Union Pacific expects its employees, suppliers, consultants, and other parties it does business with to comply with all applicable anti-bribery and anti-corruption laws, including the Foreign Corrupt Practices Act ("FCPA") and the National Anticorruption System in Mexico.

Union Pacific's suppliers also are bound by the Company's [Supplier Code of Conduct](#).

Union Pacific has a zero tolerance policy for bribery and corruption. Failure to comply with this Policy and the following procedures may result in discipline up to and including termination. Violations of U.S. and international law can also subject Union Pacific and its employees to civil and criminal penalties.

All of us have responsibility for following Union Pacific procedures for carrying out and reporting business transactions. If you have questions, contact the FCPA Compliance Coordinator, Christine Neuharth, at (402) 544-4764 or by email at [FCPA@up.com](mailto:FCPA@up.com). Directors, officers, employees, subsidiaries, agents, consultants, and other representatives **must** report violations or suspected violations of this policy by calling either the Union Pacific Values Line (1-800-998-2000) or the Company's General Auditor. Union Pacific has a strict non-retaliation policy for reports made in good faith.

### Section I. The Foreign Corrupt Practices Act

The FCPA makes it unlawful to bribe Foreign Officials. **As an employee of Union Pacific or a Union Pacific subsidiary, or as an agent, consultant, or representative of Union Pacific, you cannot offer, pay or promise to pay money, or provide Anything of Value (see definition in Section 1.1), to a Foreign Official (see definition in Section 1.1) for any of the following purposes:**

- To obtain or retain business;
- To influence the decisions of a Foreign Official in his or her official capacity; or
- To secure any other improper business advantage.

Similarly, you cannot do indirectly what is prohibited directly. In other words, you cannot pass something of value to another, knowing that the person will offer it to a Foreign Official.

## 1.1 Key FCPA Definitions

**Anything of Value** includes cash and non-cash payments. These payments can include, but are not limited to, any of the following: gifts, entertainment, cash or cash equivalents, gift or sale of stock or other investments in other than an arm's length transaction for demonstrated fair market value, contracts or other business opportunities awarded to a company in which a Foreign Official holds a beneficial interest, medical expenses, living expenses, educational expenses, contributions to any foreign charity that benefit a Foreign Official, travel, meals, lodging, shopping or entertainment expenses.

**Foreign Official** means any officer or employee of a Foreign Government (at any level of government), a Public International Organization or a foreign political party, including political candidates. It also includes any person acting in an official capacity for such government or organization. All officers, directors, and employees of state-owned or -controlled businesses are considered Foreign Officials.

**Foreign Government** means any government outside the United States.

**Public International Organization** means an organization that is so designated by the President of the United States. It generally includes organizations such as the International Monetary Fund, the European Union, the World Bank, and similar organization.

## Section II. The National Anticorruption System in Mexico

Under the National Anticorruption regulation in Mexico, it is unlawful to promise, offer or deliver any benefit, such as money, valuables or any other goods, to a public servant, directly or through a third party, in exchange for an act or omission, and with the purpose of obtaining or maintaining, for itself or for a third party, a benefit or advantage, and irrespective of the acceptance or receipt of the offer or profit.

## Section III. Union Pacific Policy and Procedures

Union Pacific strictly prohibits bribes. A bribe is where a person, directly or indirectly, offers, promises, gives, requests, agrees to receive, or accepts anything of value to induce or influence the improper performance of an activity. This means that you may not:

- Give or receive a bribe.
- Do anything in furtherance of a bribe, such as discussing, offering, promising, or approving a bribe; and/or
- Use a third party to give or receive a bribe or continue using a third party if you have reason to believe that a bribe will or has been made on UP's behalf.

If anyone, directly or indirectly, improperly requests, solicits, or attempts to extort anything of value from you, you must refuse the solicitation, request or extortionate demand and immediately notify the FCPA Compliance Coordinator.

Union Pacific directors, officers, employees, subsidiaries, agents, consultants, and other representatives must comply with the following procedures concerning payments, meals, entertainment, and other expenses involving Foreign Officials, including pre-approval requirements.

### 3.1 Payments Permitted Without Pre-Approval

- a) **Payments authorized by law.** Payments lawful under the written laws and regulations of the relevant country are acceptable. For example, if the law of the foreign country authorizes the local government authority to charge a tax for entry into the country, payment of that tax is permissible without pre-approval. Payments authorized by law must not be made in cash, and they must be paid to the government or government agency or entity requiring such payment and not to any individual representing the government.
- b) **Meals less than US \$100 per person & gifts of promotional items less than US \$200 per person.** Meals involving Foreign Officials do not require pre-approval if the meal costs less than US \$100 per person, and there is no more than one meal per quarter per Foreign Official. Gifts of Union Pacific promotional items (bearing the Union Pacific logo) that cost less than US \$200 per person do not require pre-approval.

However, the employee must do the following:

- Include the meal or gift as part of a valid, reasonable business purpose, such as promotion, demonstration or explanation of Union Pacific's products or services.
- Do not attempt to induce a Foreign Official to misuse their official position.
- Avoid the appearance of an improper payment or conflict of interest.
- Comply with any applicable laws of a foreign country; and
- Properly record the expense in Union Pacific's books and records by complying with the requirements of the [Union Pacific Procurement Policy](#) and the Entertainment Section of the [Union Pacific Railroad Business and Travel Expense Policy](#) or the [Union Pacific Business and Travel Expense Policy for Mexico Employees](#).

### 3.2 Payments Requiring Pre-Approval

**Meals and Entertainment expenses exceeding US \$100 per person & gifts that cost more than US \$200 per person:**

- a) **Meals and Entertainment.** Meals and entertainment expenses involving a Foreign Official that cost more than US \$100 per person require pre-approval. For purposes of this policy, premium seating at sporting events, concerts and other entertainment events, including seating in suites and club level seating, is considered an entertainment expense that costs more than US \$100 per person and requires pre-approval.
- b) **Gifts.** Gifts to Foreign Officials that do not bear the Union Pacific logo require pre-approval. All gifts of Union Pacific promotional items bearing the Union Pacific logo with a value over US \$200 per person require pre approval.
- c) **Pre-approval.** To request pre-approval to provide a gift, meal or entertainment, the employee must complete and submit an [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#). The employee will not incur the expense until they receive pre-approval.
- d) **The employee must also do the following:** Ensure the gift, meal or entertainment is reasonable in light of gifts customary in the particular country;
  - Provide the gift, meal, or entertainment in connection with the promotion, demonstration or explanation of Union Pacific's products or services.
  - Do not attempt to induce a Foreign Official to misuse their official position.
  - Avoid the appearance of an improper payment or conflict of interest.

- Comply with any applicable laws of a foreign country.
  - Properly record the expense in Union Pacific's books and records by complying with the requirements of the [Union Pacific Procurement Policy](#) and the Entertainment Section of the [Union Pacific Railroad Business and Travel Expense Policy](#) or the [Union Pacific Business and Travel Expense Policy for Mexico Employees](#).
- e) **Exceptions.** There may be limited exceptions permitted to the policy above. Please contact the FCPA Compliance Coordinator, Christine Neuharth, at (402) 5444764 or by email at [FCPA@up.com](mailto:FCPA@up.com) for further details when an exception may apply.
- f) **Compliance.** The Company will investigate suspicious expenditures claimed under this Section.

### Hosting Foreign Official Travel

Union Pacific may pay travel expenses related to hosting Foreign Officials only if such travel directly relates to the promotion, demonstration or explanation of Union Pacific's products or services or if legitimate contractual commitments require the travel. The following procedures must be followed:

- a) **Pre-approval.** Employees must obtain pre-approval to pay travel expenses for Foreign Officials. An employee requesting authority for a travel expense must submit an [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#). The employee will not incur the expense until they receive pre-approval. Before commencement of the travel, the sponsoring employee will send a letter memorializing the detailed terms of the hosting, including what expenses will and will not be covered. The FCPA Compliance Coordinator will work with the sponsoring employee to prepare the letter.
- b) **Compliance with Existing Policies.** The expense must comply with the [Union Pacific Railroad Business and Travel Expense Policy](#) or the [Union Pacific Business and Travel Expense Policy for Mexico Employees](#). This policy permits expenses for transportation, lodging, meals, visa fees and other normal business travel expenses.
- c) **Form of Payment.** Employees will not make cash payments to Foreign Officials to cover travel and travel-related expenses. Employees will pay vendors (i.e. airlines, hotels, car rental companies) directly and will not make payments directly to the traveling official. Whenever possible, travel arrangements should be made using [My UPTravel](#). When direct payment to the vendor is not possible, the Foreign Official must provide receipts for the expenses for which they request reimbursement. Union Pacific will then reimburse the Foreign Official's employer rather than the individual Foreign Official.
- d) **Limitations.** Lodging will be limited to business class hotels for the period of the particular meeting, visit, seminar, or event. Union Pacific will not pay for side trips, separate expenses of accompanying persons (such as family members) or non-business or personal charges (such as movies and personal phone calls).

## Charitable Donations

- a) **Legitimate Business Purposes.** Union Pacific recognizes that charitable donations may serve to support the communities in which we do business. However, paying bribes disguised as charitable donations is strictly prohibited. Charitable donations made outside the United States require pre-approval.
- b) **Pre-approval.** An employee may request pre-approval to make a charitable contribution outside the United States if it has a legitimate business purpose. The request should be submitted using [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#) and should identify both the requestor and the beneficiaries of the donation. Donations require the approval of the Vice President (or comparable officer) responsible for managing the department making the request, as well as Corporate Relations and the Law Department.

### 3.3 Prohibited Payments

Union Pacific employees must not pay or give anything of value to a Foreign Official directly or indirectly FOR AN IMPROPER PURPOSE OR TO ACHIEVE OR EFFECT AN IMPROPER END. Examples of improper purposes or ends include, but are not limited to, the following:

- Obtaining licenses, permits or government approvals.
- Preventing governmental action such as the imposition of a tax or fine or the cancellation of an existing government contract or contractual obligation.
- Obtaining confidential information about business opportunities, bids or the activities of competitors.
- Obtaining the right to open an office or to influence the award of a government contract.
- Obtaining the award of a government contract or a contract with a government-owned business.
- Influencing the rate of taxes that would be levied on Union Pacific's business.
- Obtaining relief from government controls.
- Resolving government disputes or resolving litigation in foreign courts.
- Affecting or influencing the nature of foreign regulations or the application of regulatory provisions.
- Assisting the Company in obtaining or retaining business; or
- Obtaining any other business advantage.

This Policy prohibits the following actions at all times:

- Making cash payments to Foreign Officials.
- Facilitating payments.
- Making charitable donations to foreign governments or to specific foreign charities at the request of a foreign government or official; and
- Making political contributions to candidates for public office in a foreign country or to political parties in a foreign country.

### 3.4 Retaining or Engaging Representatives

Union Pacific may engage or retain sales representatives, agents, consultants, partners, sponsors, or other independent third-party representatives in foreign countries or to engage with Foreign Governments on Union Pacific's behalf ("Representatives") only on a limited basis. Use of Representatives requires pre approval. Employees will not engage or retain Representatives, and Representatives will not commence any formal or informal activities, until approval is received.

The following procedures apply to the use of any Representative:

- a) Selection of Representative.** Union Pacific will select Representatives solely on the basis of merit. The Company must screen and evaluate all prospective Representatives prior to retention by Union Pacific.
- b) Request for Approval.** The Vice President (or comparable officer) responsible for managing the department requesting to engage a Representative must submit a request for approval to [FCPA@up.com](mailto:FCPA@up.com). The request must explain the business purpose, the activities to be conducted by the Foreign Representative and all proposed compensation arrangements for the Foreign Representative.
- c) Due Diligence.** The FCPA Compliance Coordinator must screen and evaluate the prospective Representative. The FCPA Compliance Coordinator will require the prospective Representative to complete an [Appendix B - Due Diligence Questionnaire for New Representatives](#).
- d) Approval.** After due diligence is completed, the Compliance Officer, the Chief Legal Officer or a designee will review the request and make a determination. Approvals will be provided in writing by the Compliance Officer, Chief Legal Officer or a designee.
- e) Contracts.** The Company will not enter into oral agreements or arrangements with a Representative. Agreements with a Representative must be in writing and in a form approved by the FCPA Compliance Coordinator. Any modifications or amendments to any such agreements must be approved in advance by the FCPA Compliance Coordinator. All agreements with a Foreign Representative must contain the following covenants or provisions:
  - The Representative will not violate any laws, including specifically the FCPA and any other applicable anti-bribery and anti-corruption laws.

- A violation of any of the contractual covenants renders the contract voidable.
  - The Representative will not use undisclosed subagents, nor will it split with undisclosed parties any compensation received from Union Pacific.
  - The Representative will not have authority to take any action that would violate United States law, including specifically the FCPA.
  - At any time, Union Pacific has the right to inspect the books and records of the Foreign Representative; and
  - The Representative agrees to comply with this policy and Union Pacific's procedures for foreign payments.
- f) **Compensation.** Compensation paid to a Representative must be customary and reasonable in relation to the services provided. Compensation, expenses, and other payments must be properly reflected in Union Pacific's records, books of account and financial statements. The Company will not make payments to any third party or to bank accounts that are not in the name of the Representative. If payment is to be made outside the United States, the Company will make payments only in the country where the Representative resides or where the services are rendered.
- g) **Certification.** Representatives must certify prior to beginning work and each year during the engagement that the Representative is in compliance with the FCPA. The FCPA Compliance Coordinator will send requests for certification to all Representatives on a yearly basis using [Appendix C - Representative Compliance Certification](#). Upon request, each department will provide the FCPA Compliance Coordinator with the names and email addresses of all Representatives and consultants representing Union Pacific's interests in a foreign country.

### 3.5 Other Due Diligence Procedures

- a) **Other Vendors in Foreign Countries.** The Company may conduct appropriate due diligence on vendors whose principal place of business is outside the United States.
- b) **Contracts and Nondiscrimination.** Union Pacific is committed to reducing corruption risks within its organization and therefore will not knowingly enter into any contractual relationships with individuals or organizations that represent an integrity risk. However, this Policy does not authorize any form of discrimination based on gender, ethnic origin, disability, social status, age, religion, sexual preference, opinion, or marital status.
- c) **Acquisitions.** Whenever Union Pacific pursues the acquisition of any business entity, the due diligence process associated with the proposed acquisition will include a risk-based review of the acquisition target's compliance with the FCPA. Union Pacific will conduct pre-acquisition and, where applicable, post-acquisition due diligence and will integrate the acquisition target into its compliance program as soon as practicable after an acquisition.



d) **Joint Ventures.** Whenever Union Pacific elects to pursue work outside the United States through a joint venture, the due diligence process will include a risk-based review of the prospective joint venture partner or partners' compliance with the FCPA.

### 3.6 Training and Certification

- a) **Training.** Union Pacific employees whose job responsibilities include conducting business with, or making or approving expenditures related to Foreign Officials will take FCPA training annually. Training will be provided to other employees as identified by the FCPA Compliance Coordinator, under the direction of the Compliance Officer and in conjunction with department heads. The FCPA Compliance Coordinator under the direction of the Compliance Officer will determine whether training will be computer-based or in person.
- b) **Certification.** All Union Pacific employees will complete an annual certification regarding their business related contact with Foreign Officials. This certification will be part of the annual certification of the Company's [Statement of Policy on Ethics and Business Conduct](#).

### Appendices

- [Appendix A - Pre-Approval for Expense Involving a Foreign Official](#)
- [Appendix B - Due Diligence Questionnaire for New Representatives](#)
- [Appendix C - Representative Compliance Certification](#)

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