SOROBAN Capital Partners LP

Presentation to UNP Board of Directors

All Aboard… the Path to ~$18 EPS and ~$400 stock price by 2025

Disclaimer

SOROBAN Capital Partners LP

This presentation is for general information purposes only and does not constitute advice or a recommendation to enter into or conclude any transaction or buy or sell any security, including any security of, or relating to, Union Pacific Corporation (the "Company"). In addition, this presentation and the information contained herein should not be construed as an offer to buy any interest in, or any fund advised by, Soroban Capital Partners LP ("Soroban"). Any offer of any interest in any fund advised by Soroban will only be made by means of an offering memorandum.

The views and information contained in this presentation represent the opinions of Soroban as of the date hereof. Except where otherwise indicated herein, the date within this presentation is as of February 22, 2023. Soroban reserves the right to change any of its opinions expressed herein at any time, but is under no obligation to update the data, information or opinions contained herein at any time nor hold/trade the securities in any particular manner. The information contained in this presentation may not contain all of the information required in order to evaluate the value of the Company, its securities, or the matters described herein. This presentation should not be construed as legal, tax, investment, financial or other advice. Investors should seek independent financial advice regarding the suitability of investing in any securities or of following any investment strategies; Soroban is not offering nor providing such services in connection with this presentation.

The views expressed in this presentation are based on publicly available information, including information derived or obtained from filings made with the Securities and Exchange Commission, other regulatory authorities and from third parties. Soroban recognizes that there may be nonpublic or other information in the possession of the Company that could lead the Company and others to disagree with Soroban's conclusions. Certain information presented from third parties has not been independently verified but has been obtained from sources believed to be reliable.

There is no assurance or guarantee with respect to the prices at which any securities of the Company will trade, and such securities may not trade at prices that may be implied herein. The estimates, projections, pro forma information and potential impact of the analyses set forth herein are based on assumptions that Soroban believes to be reasonable as of the date of this presentation, but there can be no assurance or guarantee that actual results or performance of the Company will not differ, and such differences may be material.

The analyses provided herein may include certain forward-looking statements, estimates and projections prepared with respect to, among other things, the historical and anticipated operating performance of the Company, access to capital markets, market conditions and the values of assets and liabilities, and the words "anticipate," "believe," "expect," "potential," "could," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify such forward-looking statements. Such statements, estimates, and projections reflect Soroban's various assumptions concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies. Thus, actual results may vary materially from the estimates and projected results contained herein. In addition, Soroban will not undertake and specifically disclaims any obligation to disclose the results of any revisions that may be made to any projected results or forward-looking statements in this presentation to reflect events or circumstances after the date of such projected results or statements or to reflect the occurrence of anticipated or unanticipated events.

Introduction to Soroban Capital Partners

SOROBAN Capital Partners LP

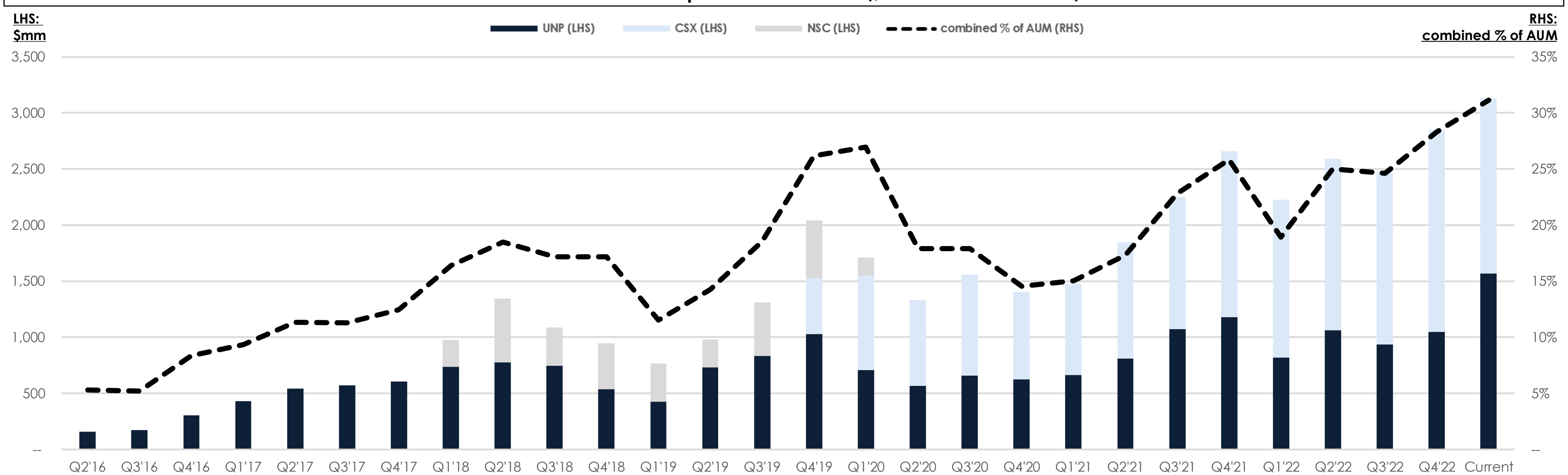
- Founded in 2010
- $10+ billion in assets under management(1)
- Eric Mandelblatt, Managing Partner & Chief Investment Officer
- Fundamental research driven, value-oriented investment approach
- Focused on opportunities in high-quality growing businesses that exhibit barriers to entry and durable economic moats
- Long-dated capital base allows Soroban to underwrite to a multi-year investment horizon
- Internal partner and employee capital collectively represents the firm's largest single investor

(1) Includes Soroban Opportunities Fund and Soroban Decarbonization Beneficiaries Fund.

Soroban's railroad industry experience

- Soroban has been a long-time investor in the North American Class I railroad industry. Soroban's investment partners have been among the largest railroad investors since 2005, with extensive industry relationships at management and Board level
- Today, Soroban owns a combined ~$3.1 billion of market value across two US railroads
  - UNP has been a significant investment for Soroban dating back to the second quarter of 2016. Soroban owns a ~$1.6 billion stake in UNP, making our firm a top 10 economic owner of the Company
  - Soroban owns a ~$1.6 billion stake in CSX (<3% of total company), making our firm the fifth largest shareholder
  - Soroban also previously owned NSC from 2018 to 2020
- Prior to founding Soroban, Eric Mandelblatt led TPG-Axon's investments in US railroads – the fund was a top shareholder of UNP, CSX, NSC, and BNSF from 2005 to 2010

Soroban Railroad Exposure in Portfolio ($mm and combined % of AUM)



Note: above figures include Soroban Opportunities Fund, Soroban Decarbonization Beneficiaries Fund, and Soroban Master Fund; as of 2/22/2023.

Soroban's mission

SOROBAN Capital Partners LP

Soroban's mission is simple: we want UNP to prosper. Unlike typical shareholder engagements which come with numerous demands, Soroban has only one ask: install new leadership who can get the trains to operate safely and on time. The Company's key constituents are all aligned with this mission

New leadership at UNP

Employees

New leadership will drive a culture change, improving employee morale and safety levels. Among all S&P 500 companies, UNP is rated by employees as the worst place to work and has the lowest employee CEO approval rating (ranked 500th out of 500 in both)[1]

Customers

New leadership will improve service levels and allow customers to rely on UNP as a consistent transport provider, enabling opportunities to ship more freight

Regulators

New leadership will curtail the use of embargoes and improve service, resulting in more predictable operations. The Surface Transportation Board has singled out UNP as the worst provider of service among the Class I railroads

US Economy

New leadership will result in an efficiently-operated rail network, facilitating a smoothly-run, interconnected US supply chain network as railroads are the lifeblood of the US economy

Environment

New leadership will accelerate the shift from trucks to rails. Compared to trucks, rails on average emit up to ~75% less greenhouse gases. Railroads are key in the fight against climate change

Shareholders

New leadership will improve operations and service levels, unlocking volume growth and significant shareholder return

(1) Glassdoor as of 2/22/2023; UNP is ranked last among the Class I railroads as well.

Situation overview

SOROBAN Capital Partners LP

Under Lance Fritz's eight-year tenure as CEO, UNP has repeatedly and significantly failed to reach its potential

- UNP has the **best** rail franchise in North America. Despite this, under current leadership UNP has been the **worst** performing Class I railroad
- Under Lance Fritz's eight-year tenure as CEO, UNP has ranked the **worst** in every key railroad operating metric: safety, volume growth, revenue growth, cost management, EBIT growth, and total shareholder return
- Key constituents have understandably lost confidence in Lance Fritz's ability to lead the Company
  - Shareholder returns have been the worst in the industry[1]
  - Employees are disgruntled: among all S&P 500 companies, UNP is rated by employees as the worst place to work and has the lowest employee CEO approval rating (ranked 500th out of 500 in both)
  - The Company is not delivering on its commitment to customers, and the Surface Transportation Board (regulator) has singled out UNP as providing the worst service among the Class I railroads
  - The US economy needs an efficient rail network to flourish, as railroads are the lifeblood of the US economy. UNP, one of the largest and most interconnected transportation assets, has the most inefficient rail network which has exacerbated the US supply chain crisis
  - The environment is negatively impacted as UNP is not fulfilling its potential as a decarbonization enabler
- Lance Fritz has continually failed to meet the annual incentive compensation targets set by the Board
- Simply put, UNP is not reaching its potential as North America's best Class I railroad. Management's poor track record results in the Company (i) not reaching its full earnings power and (ii) trading at a meaningful discount to its Canadian railroad peers and other high-quality industrial companies, thus significantly impairing shareholder value creation

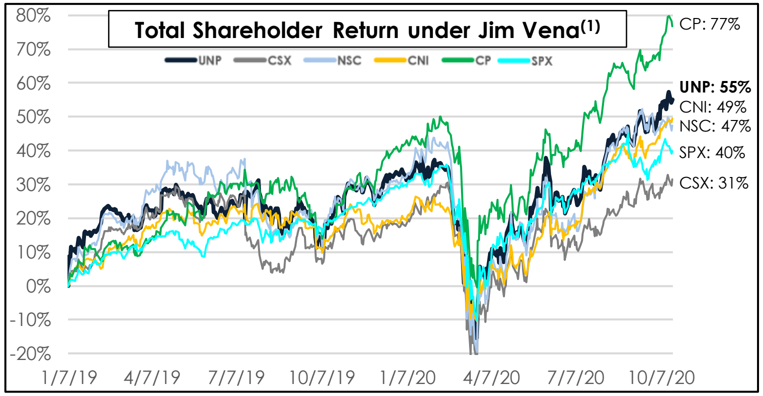
(1) Among all public North American Class I railroads; shareholder returns include dividends.

The Board needs to replace Lance Fritz with best-in-class leadership

- Well-run operations are the enabling foundation for all other value creation levers of a railroad. Therefore, it is paramount the next leader of the Company has a proven track record of railroad operating excellence
- When the Board brought on Jim Vena, an operational expert with deep railroading experience, as COO to fix UNP's operations in 2019, he very quickly established what was possible for the Company, rapidly transforming UNP from an underperforming to a top performing railroad. Operations almost immediately reverted to worst-in-class levels without Jim Vena
  - UNP's market capitalization increased ~$9 billion on the day he was announced as COO and decreased ~$13 billion in the two days following his announced departure (~9% stock price move on both announcements)
- Fortunately, as it relates to new leadership, there is no need to start from scratch. Jim Vena has remained engaged in the industry following his departure from UNP. We believe he would be keen to return to UNP in a new leadership role
  - Jim Vena benefits from his deep knowledge of UNP's culture, employees, customers, and network
  - No internal candidates are remotely as qualified as Jim Vena, and he is the leading external candidate available

Jim Vena

- COO of UNP from 2019-20; strong track record of operational success and shareholders' trust
- During his tenure as COO, UNP ranked second among peers[1] in total shareholder return
- Previously at Canadian National; during his tenure as executive vice president and COO of Canadian National, the company generated the industry's best operating ratio and achieved the best safety incident ratio in company history
- Currently serves on the Board of FedEx



Note: total shareholder return includes dividends. (1) Includes all public Class I railroads, excluding KSU due to acquisition announcements/rumors during timeframe; calculated from Jim Vena's announced hire to announced departure.

The Board's primary responsibilities

- The Board's primary responsibilities are as follows:
  - – Hire the best CEO and management team
  - – Establish ambitious targets, monitor performance, and help set strategy
  - – Develop talent and succession plans
  - – Hold management accountable for execution

To fulfill these duties, the UNP Board must address eight years of staggering underperformance and immediately make a change in leadership. It is imperative for the Board to pair the best railroad in North America with the best leadership team

New leadership at UNP would create significant value for shareholders and benefit other key constituents. We believe a leadership change could potentially create ~$67bn of incremental shareholder value over the next two years

- Under Lance Fritz's eight-year tenure as CEO, UNP has repeatedly and significantly failed to reach its potential. The Board needs to hold Lance Fritz accountable for UNP's failures and replace him
- Ultimately, the need to replace Lance Fritz is not personal but about elevating the interests of the Company and its key constituents above those of management. UNP deserves better leadership. It is time for the Board to act
- Experienced operational leadership is critical for unleashing UNP's potential…
- …fortunately, there is no need to start from scratch. We believe Jim Vena would be keen to return to UNP in a new leadership role

Under new leadership, we believe UNP's stock price has the potential to double over the next two years

	Best-in-Class Management Case	Sell-Side Consensus
2025E EPS	$17.90	$13.83
(x) NTM EPS Multiple	21.2x[1]	16.3x
Implied Share Price at 12/31/24	$380	$225
(+) Cumulative Dividends	10	10
Total Shareholder Return at 12/31/24	**$390**	**$236**
Upside (%)	*104%*	*23%*
IRR (%)	*47%*	*12%*
Market Capitalization at 12/31/24 ($bn)	$194	$127
Market Capitalization Created Under New Leadership ($bn)	*67*	

Soroban is completely committed to seeing that these changes be expeditiously implemented

Note: as of 2/22/2023. (1) Average blended 12-month forward P/E multiple of UNP's Canadian railroad peers.

UNP is the crown jewel North American transportation asset…

SOROBAN Capital Partners LP

UNP's rail network has many distinct advantages, including:

- Unique network configuration
  - Longer length of haul, creating wider competitive moats vs. trucking competitors
  - Lack of low-density "spiderweb" track arteries into multiple sub-markets, enabling high density lanes across the core of the network and flexibility to shift capacity to alternative markets as freight demand rises and falls
- Ideal geographic location
  - Located in the Gulf Coast and Southwest US markets, with higher population growth and investment levels vs. the rest of the US
  - Excellent access to Mexico, with border crossings at all six major gateways
- Merchandise-heavy product mix

Investors have historically recognized UNP's inherent advantages and status as the crown jewel transportation asset[1]

- "*UNP operates undoubtedly one of the best rail franchises on the continent…*" – Evercore ISI
- "*…the inherent structural advantages of UNP's network that has made UNP our top pick in Rails for a long time*." – Deutsche Bank
- "*…we continue to think that UNP has a structurally advantaged network with its very long length of haul and diversified biz mix*." – Credit Suisse
- "*…stellar franchise…*" – Raymond James
- "*A well-diversified asset base… we recognize the competitive dynamics of UNP's network– unparalleled access to Mexico and the chemicals sector in the U.S. Gulf Coast – and diversified revenue stream…*" – RBC
- "*The most diversified franchise with a higher level of return, UNP is in a very good position…*" – Bernstein
- "*Bottom line, we believe UNP should generate near the high end of rail OR improvement… based on UNP's premium rail franchise…*" – Goldman Sachs
- "*…a franchise advantage over other rails…*" – UBS
- "*Union Pacific has a desirable long-haul network with a more lucrative mix of business…*" – BMO
- "*…consider upgrading the stock… based on the very high quality of the company's network franchise.*" – TD Securities

(1) Research reports.

…and management has consistently stated that UNP has the best railroad franchise in North America

SOROBAN Capital Partners LP

- October 2012 investor day: "*…we believe Union Pacific is the best franchise in the industry*."
- November 2014 investor day: "*We fundamentally believe, you've heard us say it before, that we really do have the best franchise in the railroad industry*."
- July 2015 earnings call: "*Again, I want to emphasize what we've constantly focused on with our investors, and that is we've got an industry best franchise.*"
- February 2016 conference: "*…leveraging what we think is the best franchise in North America. …we have what we would define as the best physical footprint*."
- February 2017 conference: "*…I would argue that we have the best rail franchise in the United States.*"
- May 2017 conference: "*But I will tell you that I think we do have the best franchise. …that gives us the best leg up and frankly, we should be the best*."
- May 2018 conference: "*…we do believe we have the best franchise. … We've always been very proud of our franchise.*"
- June 2018 conference: "*…I believe, given our diverse strength in our network, I believe, structural advantages, we should have the best operating ratio in North America*."
- February 2019 conference: "*…we think we have the best network with the most diverse network, with the most reach. You look at our Mexico franchise, our Gulf franchise, our ports, I mean just kind of look at the map, I believe we should have the lowest operating ratio of all the North American railroads, I've always believed that.*"
- December 2019 conference: "*I believe that if you look at our network and the reach, the length of haul, the diversity, having a crossing at every point in and out of Mexico, I mean, just the inherent advantage is the Gulf Coast, the ports, et cetera, et cetera, et cetera. We do have inherent advantages…*"
- May 2020 conference: "*…with everything that we have, we have the opportunity to have the best [operating ratio]. We've got a great length of haul. …we should be the best operating ratio company in North America* "
- July 2020 earnings call: "*…great network… this railroad has the capability to be the best margin railroad in North America, lowest operating costs, bar none*."
- May 2021 investor day: "*We have the best franchise in North America. …we've got one of the lowest cost structures in the industry. …we're going to have one of the best, if not the best, operating ratio going forward from this point*."
- November 2022 conference: "*Why are we bullish? Why did you hear Kenny talk so confidently? It's because as we look into 2023, we think we're well positioned to outperform not just industrial production, but the railroad industry in general. Why is that? We've got the best franchise*."

However, under current leadership UNP has been the **WORST** performing railroad

SOROBAN Capital Partners LP

Despite having the best rail franchise in North America, UNP has unequivocally been the worst performing Class I railroad under current eight-year leadership

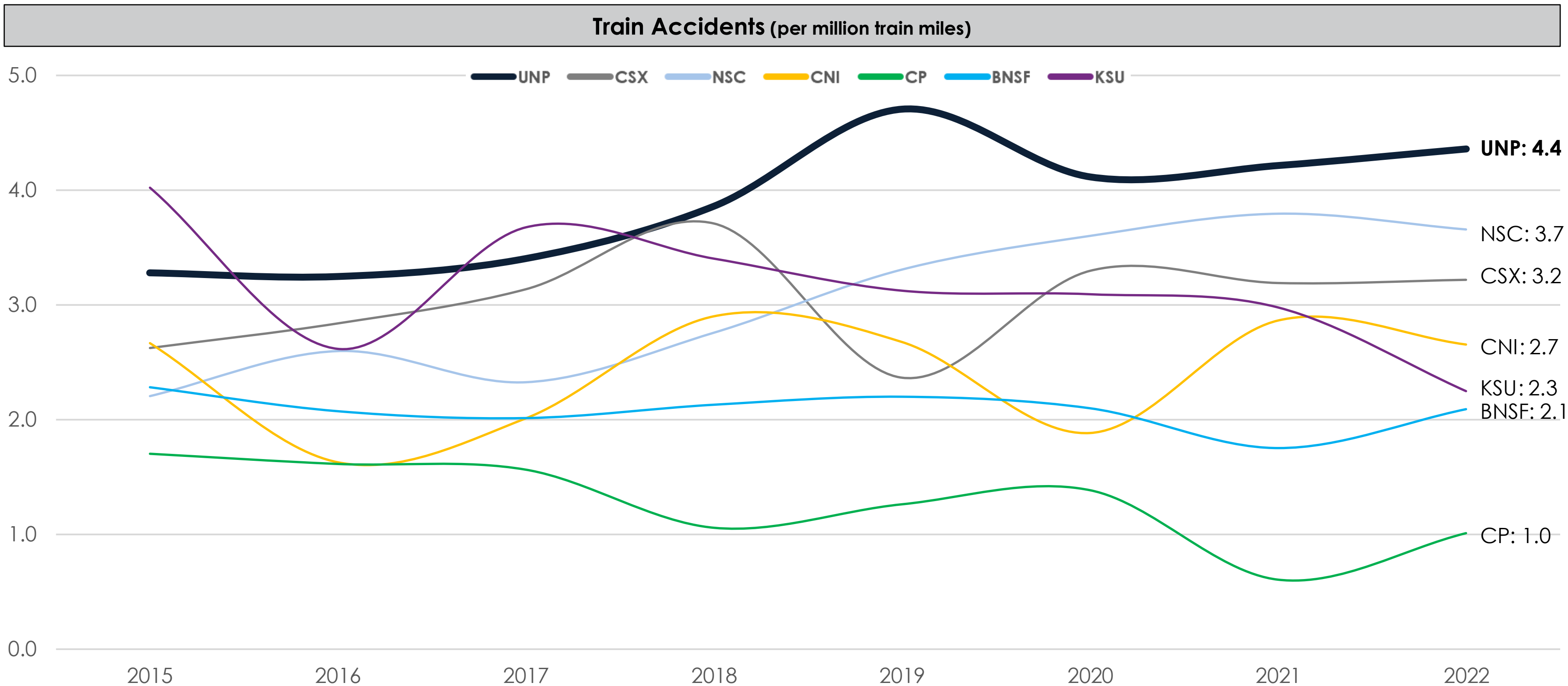
Class I Railroad "Performance Scorecard" Under Lance Fritz's Eight-Year CEO Tenure

	Safety		Volume Growth		Revenue Growth		Cost Management		EBIT Growth		Total Shareholder Return (incl. div)		Overall (avg)	
	Ranking	"Points"	Ranking	"Points"	Ranking	"Points"	Ranking	"Points"	Ranking	"Points"	Ranking	"Points"	Ranking	"Points"
KSU	3rd	3	Best	1	3rd	3	2nd	2	4th	4	3rd	3.4	Best	2.7
CP	Best	1	2nd	2	2nd	2	5th	5	2nd	2	4th	4.6	2nd	2.8
CSX	5th	5	5th	5	4th	4	3rd	3	Best	1	Best	1	3rd	3.2
CNI	4th	4	3rd	3	Best	1	6th	6	3rd	3	5th	5.8	4th	3.8
BNSF	2nd	2	4th	4	5th	5	4th	4	6th	6			5th	4.2
NSC	6th	6	6th	6	6th	6	Best	1	5th	5	2nd	2.2	6th	4.4
UNP	**WORST**	**7**	**WORST**	**7**	**WORST**	**7**	**WORST**	**7**	**WORST**	**7**	**WORST**	**7**	**WORST**	**7.0**

Note: total shareholder return "points" are scaled accordingly to represent six companies due to BNSF's non-public status.

WORST safety performance of the Class I railroads

SOROBAN Capital Partners LP

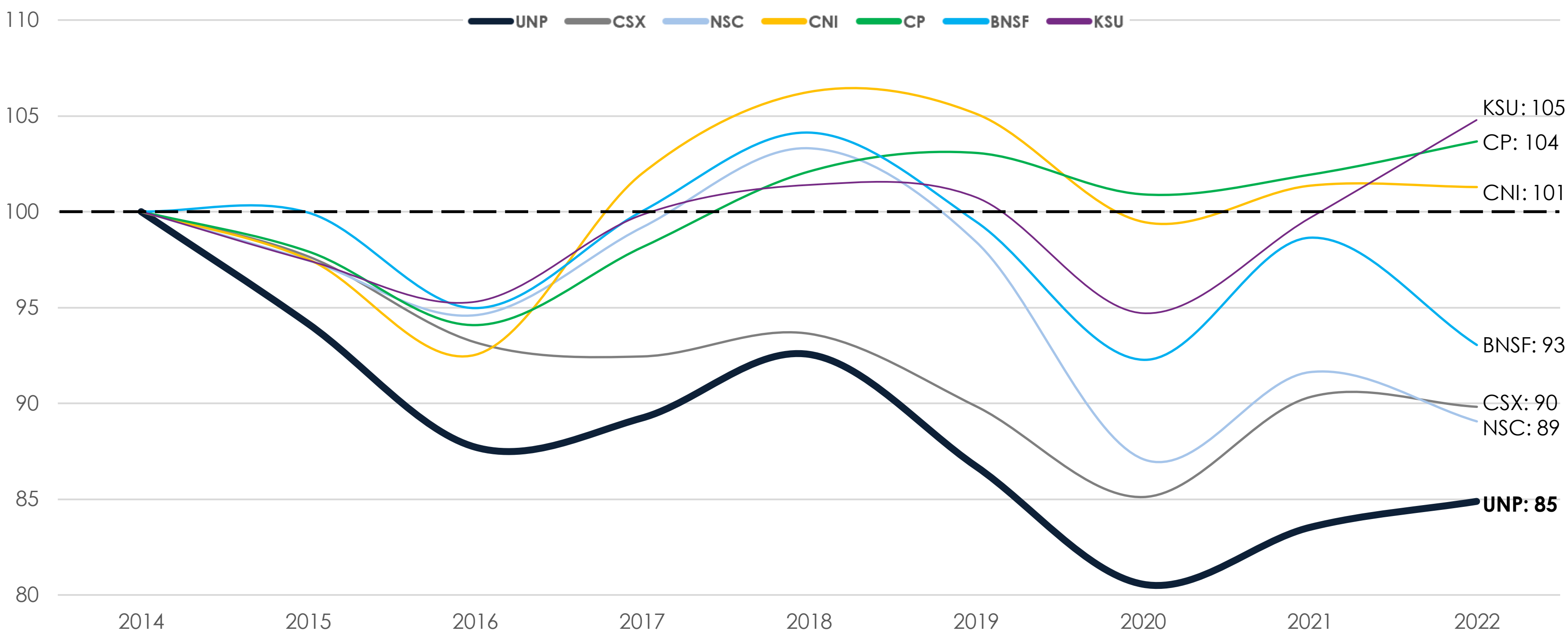


Source: Federal Railroad Administration – Office of Safety Analysis (reporting level: system). Note: 2022 represents latest data available as of 2/22/2023.

WORST volume performance of the Class I railroads

SOROBAN Capital Partners LP

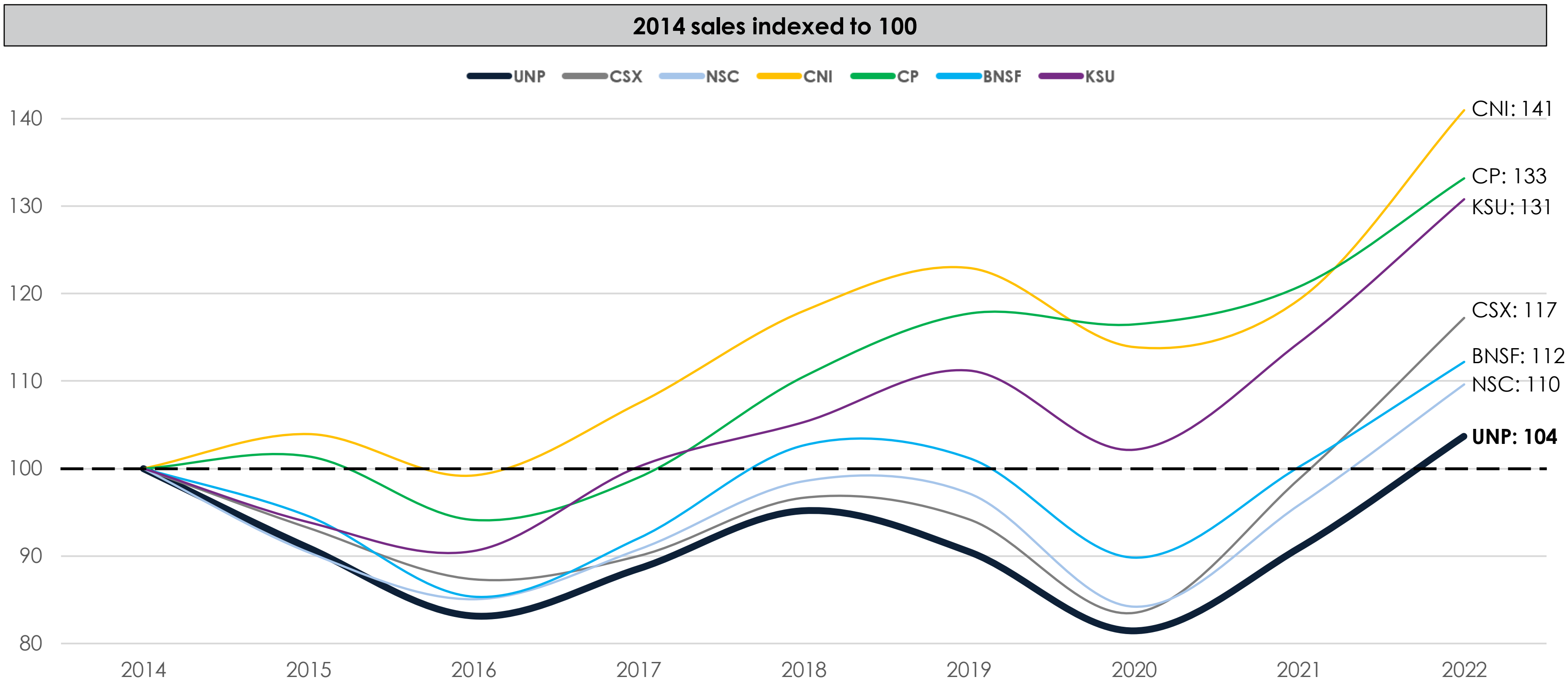
2014 carloads indexed to 100



Source: company filings, Soroban analysis. Note: BNSF's 2022 volume growth from Association of American Railroads (Q4'22 financials not yet released).

WORST revenue performance of the Class I railroads

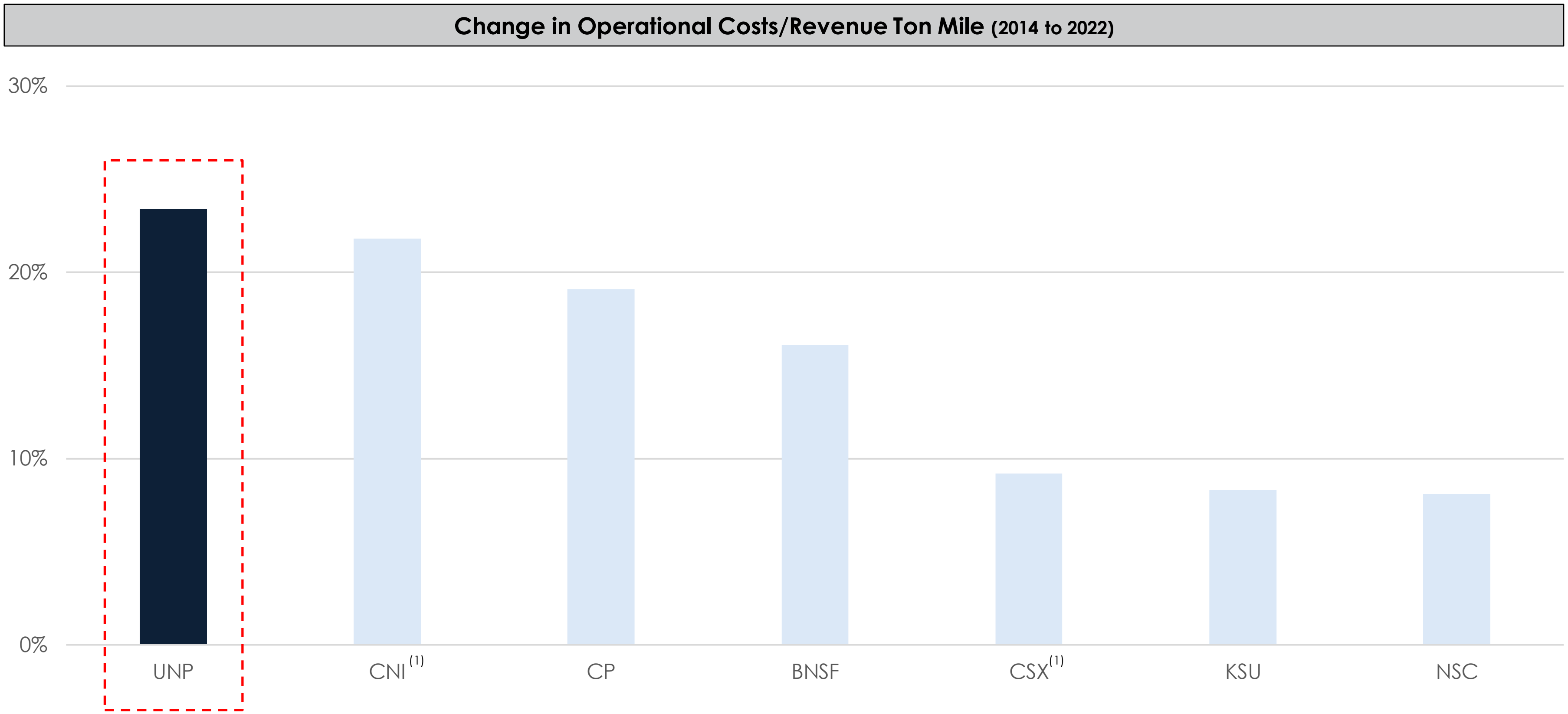
SOROBAN Capital Partners LP



Source: company filings, Soroban analysis. Note: BNSF 2022 data per Q3'22 YTD and Soroban estimates for Q4'22 (Q4'22 financials not yet released).

WORST cost management of the Class I railroads

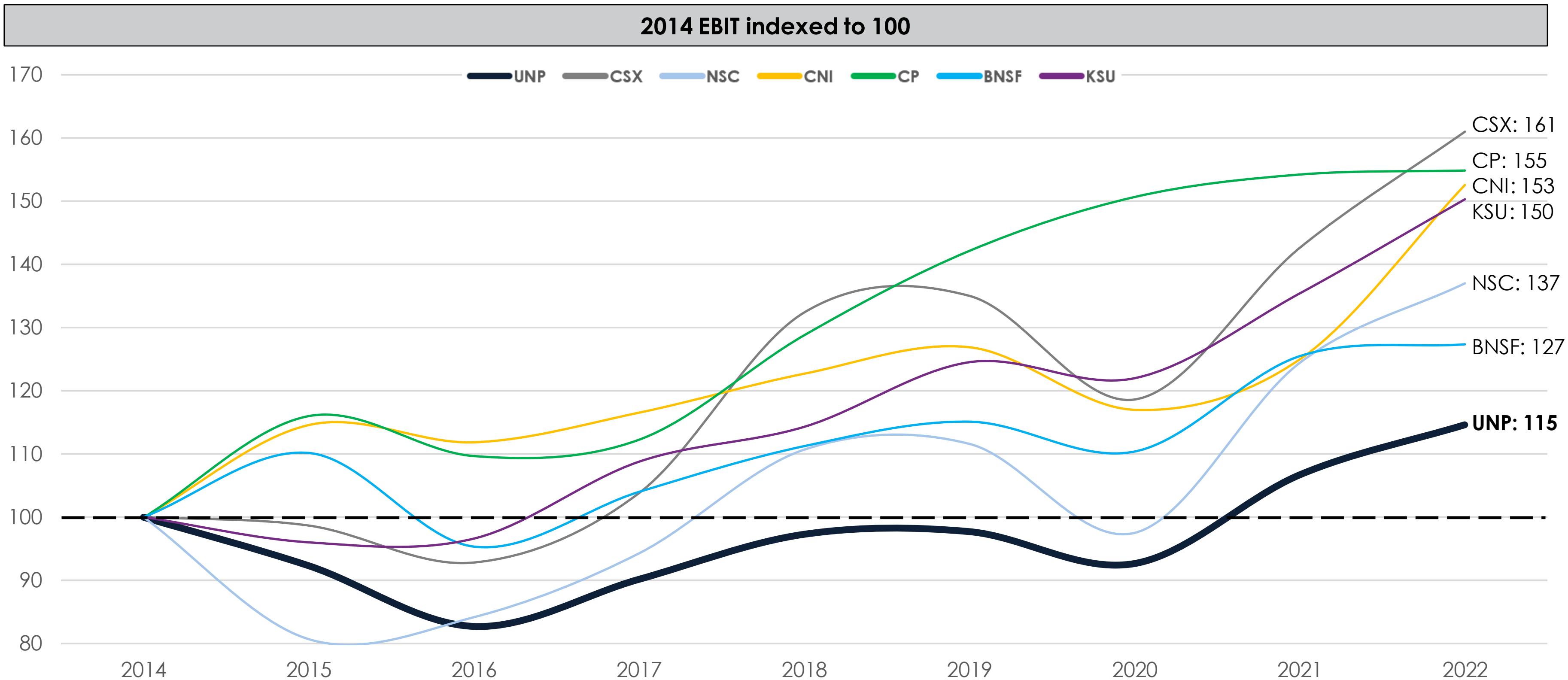
SOROBAN Capital Partners LP



Source: company filings, Soroban analysis. Note: operational costs exclude D&A. BNSF data represents Q3'22 YTD and Soroban estimates for Q4'22 (Q4'22 financials not yet released).
(1) Removes estimated impact (based on management commentary) of non-railroad acquisitions.

WORST EBIT performance of the Class I railroads

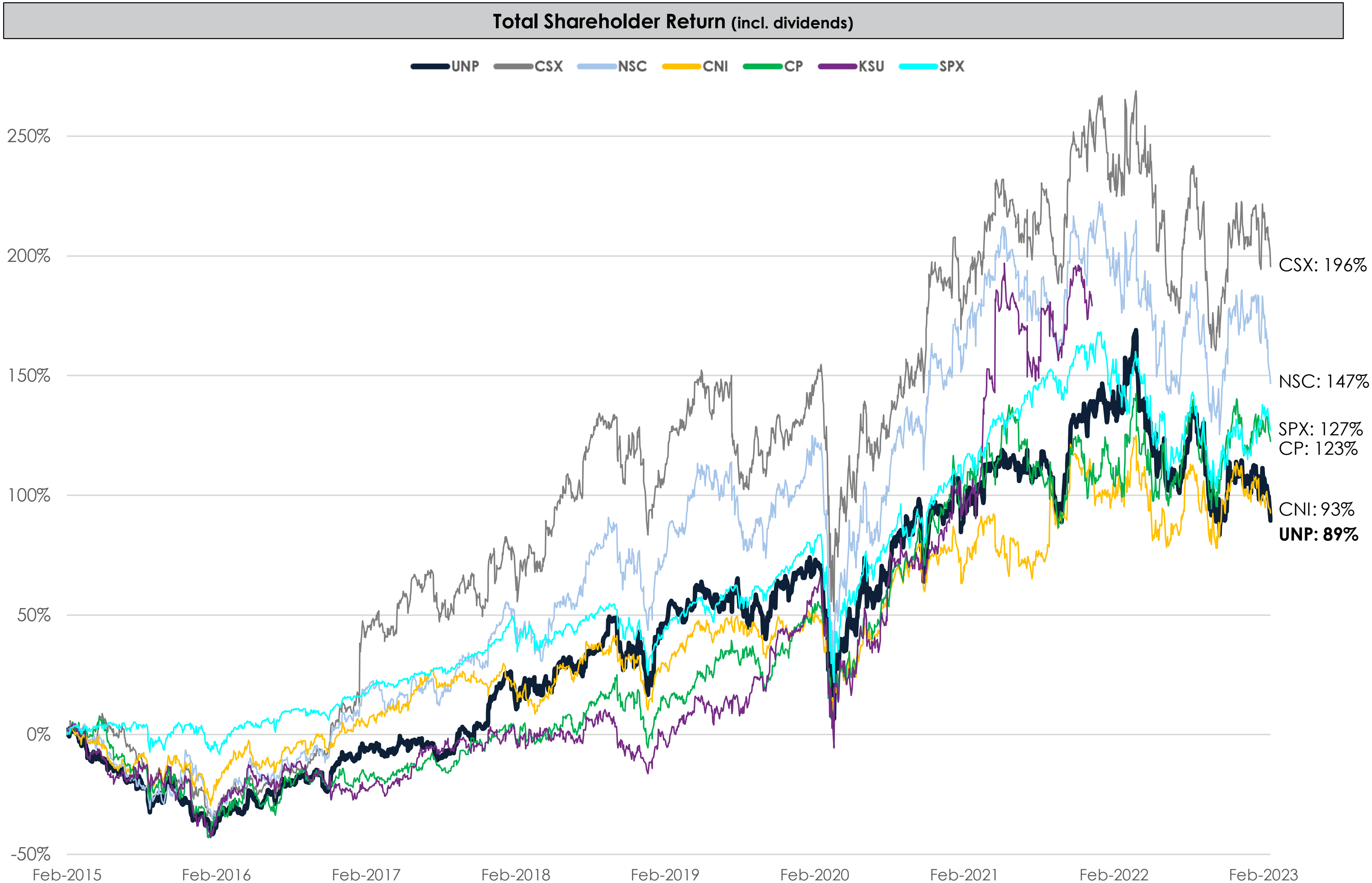
SOROBAN Capital Partners LP



Source: company filings, Soroban analysis. Note: BNSF 2022 data per Q3'22 YTD and Soroban estimates for Q4'22 (Q4'22 financials not yet released).

WORST total shareholder return of the Class I railroads

SOROBAN Capital Partners LP



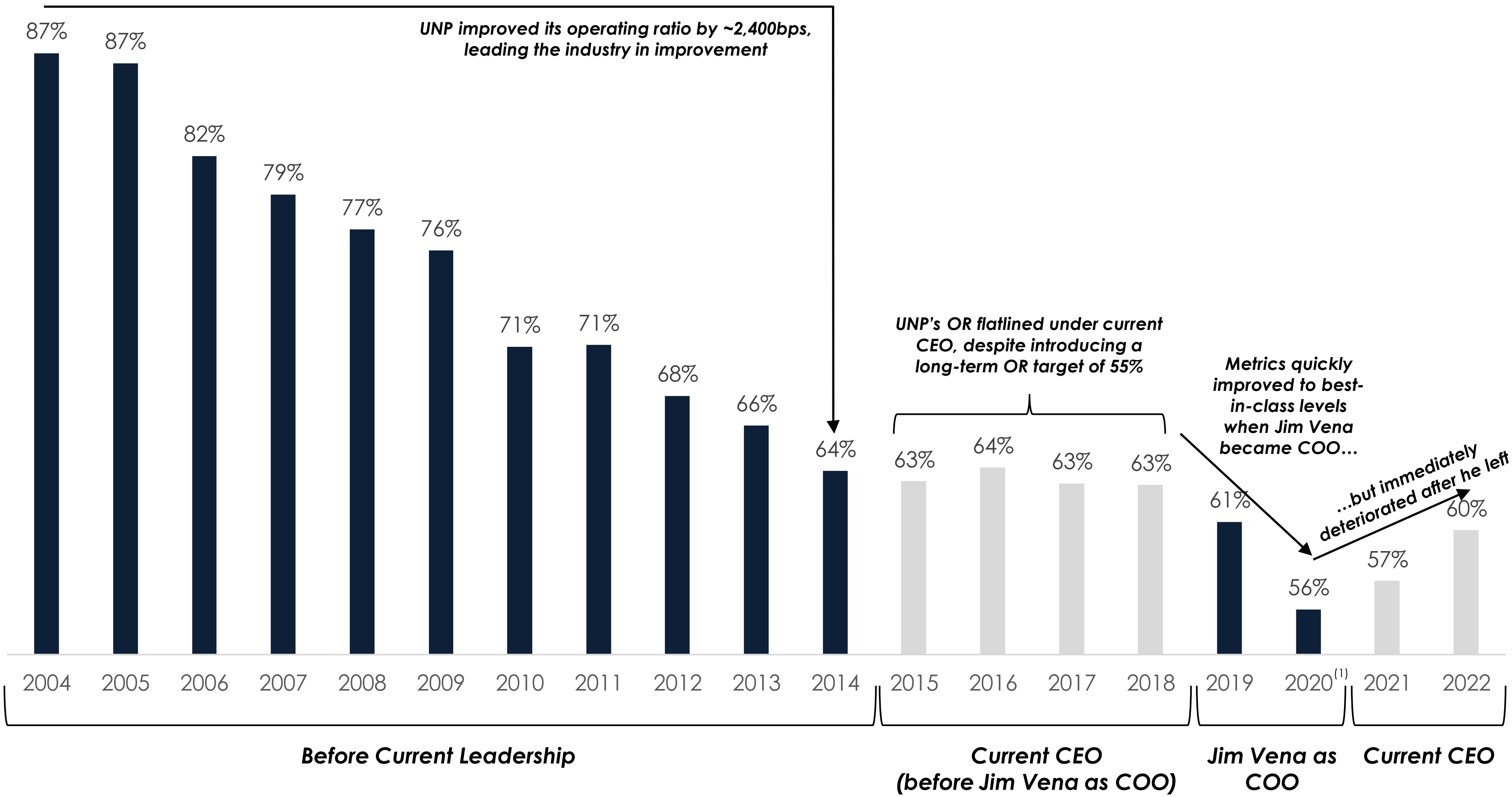
Source: Bloomberg as of 2/22/2023. Note: KSU was acquired in 2021; as of its last trading date, KSU was ranked third and significantly above UNP in total shareholder return.

UNP led the industry in operational improvement before current leadership and during Jim Vena's COO tenure

SOROBAN Capital Partners LP

Before current leadership, UNP showed industry leading operational improvement. Under current leadership, performance flatlined… until Jim Vena joined and drove immediate success… only to have UNP rapidly regress after Jim Vena's departure

UNP Operating Ratio Progression



Source: company filings. Note: operating ratio or "OR" represents 1 – EBIT Margin; lower OR = better. (1) Represents Jim Vena's last fiscal quarter with UNP (Q4'20).

Current leadership has repeatedly failed to deliver on its promises

SOROBAN Capital Partners LP

For eight years, current leadership has consistently failed to grow volumes and reach its OR profitability targets

Failed to Grow Volumes (eight-year cumulative decline of 15%)

Promise	Result(1)
April <u>2015</u>: *"And so we feel still quite bullish about, in the long term, being able to grow based on this great franchise."*	-15% volume growth since Q1'15 **MISSED**
October <u>2016</u>: *"…we feel pretty positive about the run rate opportunity. … We still think that there are good opportunities to grow volume."*	-4% volume growth since Q3'16 **MISSED**
November <u>2016</u>: *"…our thesis is that we'll see positive volumes over the long planning horizon."*	-4% volume growth since Q3'16 **MISSED**
February <u>2017</u>: *"But to the volume side of the discussion. Our thesis is that between now and then, we will see positive volume."*	-3% volume growth since Q4'16 **MISSED**
November <u>2017</u>: *"…our longer-term thesis is that we certainly want volume to be on the positive side. …if I could write a script right now, I'd say 1% to 2% volume growth is, if you can kind of book that long term, that's a fabulous number."*	-5% volume growth since Q3'17 **MISSED**
February <u>2018</u>: *"And as we look longer term… our belief in our planning assumption is that it will be positive volume environment… We're confident in our ability to grow our business."*	-5% volume growth since Q4'17 **MISSED**
October <u>2019</u>: *"Clearly, we would love to have additional volume. With a more consistent and reliable service product, we are poised to grow our business."*	-5% volume growth since Q3'19 **MISSED**

Failed to Reach Long Promised 55% OR (despite seven years of reassurances)

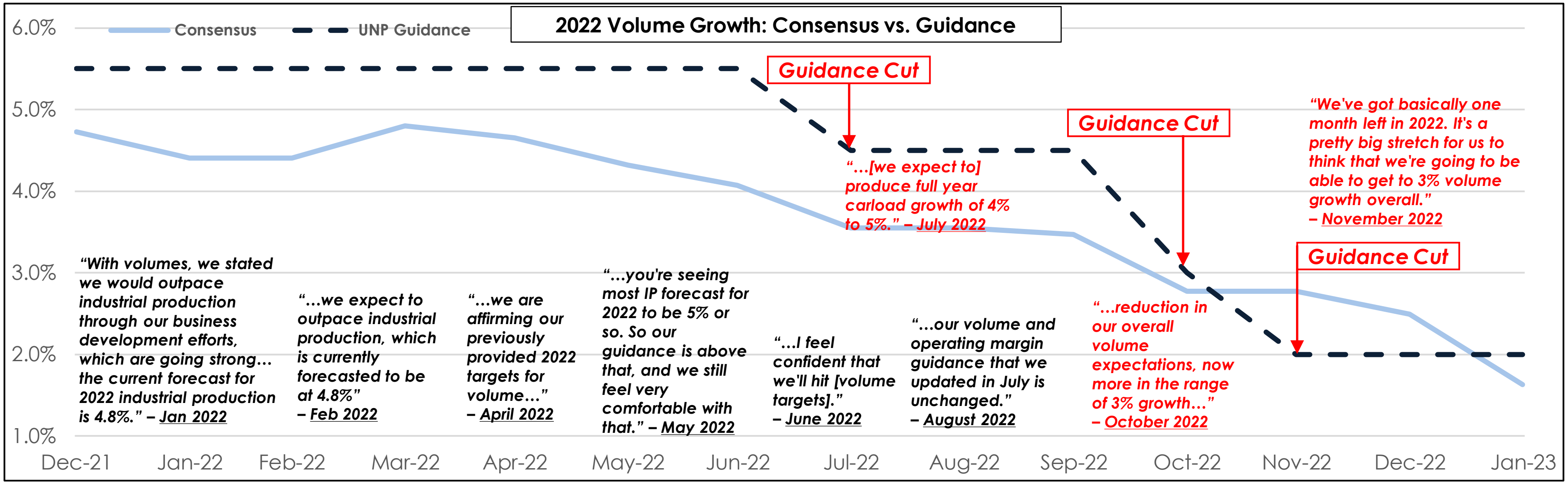
Promise	Result(2)	
	<u>**Then/Now**</u>	
February <u>2016</u>: *"…we've got our entire organization focused on looking beyond even that and looking to a <u>55</u> operating ratio."*	64%/60%	**MISSED**
November <u>2016</u>: *"It ties to our looking even beyond that to a <u>55%</u> operating ratio."*	64%/60%	**MISSED**
June <u>2017</u>: *"…we're working towards and have real action plans to get there towards the <u>55%</u> operating ratio."*	63%/60%	**MISSED**
September <u>2018</u>: *"We have not yet put, as you know, a date on when we expect to achieve the <u>55%</u> OR. But I would say that it is in our sights…"*	63%/60%	**MISSED**
April <u>2019</u>: *"And we've, for quite some time, said we think we're capable of a <u>55%</u>… we are more confident than ever that we're capable of a <u>55%</u>."*	61%/60%	**MISSED**
December <u>2019</u>: *"And we still have all the confidence in the world that we can ultimately get to a <u>55%</u>."*	61%/60%	**MISSED**
May <u>2020</u>: *"Yes, I wouldn't talk to <u>55</u> as a limit. For us, it's a target. …we feel confident that's still an appropriate target."*	58%/60%	**MISSED**
December <u>2020</u>: *"…we are laser-focused on achieving that <u>55%</u>. It's been a long-term target for us, and we're more confident now than ever in being able to achieve it."*	58%/60%	**MISSED**
Finally time stamped 55 OR target for 2022 after 5+ years of introducing target		
May <u>2021</u>: *"But let me give you a quick spoiler alert: we will achieve a <u>55%</u> operating ratio in 2022."*	**MISSED by ~500 bps**	
January <u>2022</u>: *"…we're on track to achieve a full year operating ratio that starts with a <u>55%</u> in 2022."*	Reassured… then **MISSED by ~500bps**	
January <u>2023</u>: *"…to your <u>55</u> questions, I mean you've heard us talk that, that is <u>still our goal</u>, and I'll reiterate that again. We have not put a new timeline on that…"*	Back to a <u>goal</u> and timeline removed	

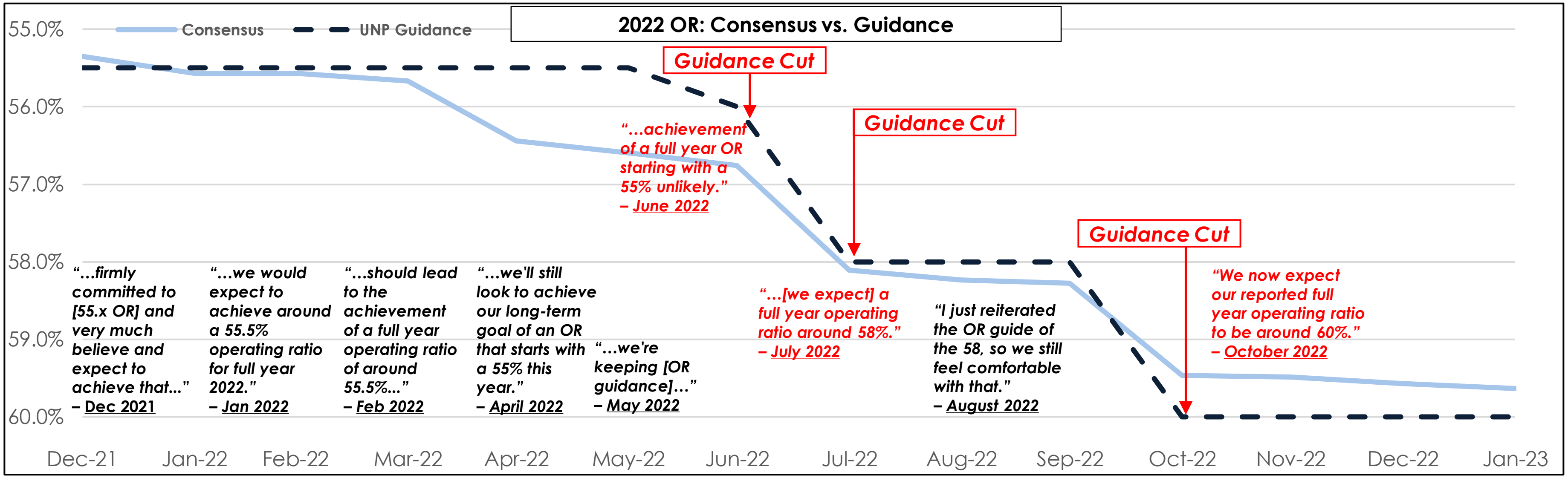
(1) Volume growth calculations uses LTM volumes of quote's date as the start and 2022 volumes as the end. (2) "Then" represents OR on the fiscal year of the quote's date.

UNP's history of underperformance is highlighted by three successive guidance cuts on volumes and OR in 2022

SOROBAN Capital Partners LP

Continued operational mismanagement and poor messaging have caused investors to lose confidence





Source: Bloomberg and Visible Alpha consensus estimates.

Investors have understandably lost confidence in current leadership's ability to lead UNP to its full potential

SOROBAN Capital Partners LP

- **Before Jim Vena, analysts had consistently expressed skepticism around management's ability to execute**
  - October 2016 earnings call: "*Given the trends that we're exhibiting, the reversal in those trends, I'm just trying to understand what confidence that we can put in a reasonable timeframe, long term is a fairly vague definition, a reasonable time frame for evolution toward a 55% OR.*" – RBC
  - April 2017 earnings call: "*One of the pushbacks we get in sort of recommending your stock is that there is a perception out there that maybe management is a little bit taking their time on the margin side. There isn't as much of a sense of urgency.*" – Bernstein
  - July 2017 earnings call: "*Lance, I wonder if you could just give your investors a little bit of confidence… you guys have had some pretty significant OR targets out there for some time now.*" – Barclays
  - September 2017 research report: "*Our analysis shows a significant efficiency gap between Union Pacific and its peers… This structural opportunity is execution-dependent but we sense the productivity improvement momentum currently occurring in the U.S. railroads, in part due to the management changes at CSX, provides significant incentive for management to attack this opportunity with more vigor.*" – BMO
  - April 2018 research report: "*…we expect that management will begin to act with a sense of urgency to restore investor confidence (or will face increasing pressure to do so).*" – Bernstein
  - July 2018 earnings call: [on relative underperformance vs. peers] "*…this is a tough question. But Lance, is there a sense of urgency that's been elevated?*" – Deutsche Bank
  - July 2018 research report: "*Ultimately, management needs to deliver better cost performance and under constant questioning they remained steadfast in their outlook to do so… we believe pressure will build on management to execute well.*" – Citi

- **Since Jim Vena left as COO, analysts have begun questioning management's execution again, asking sharp/pointed questions**
  - July 2022 earnings call: "*…I just want to understand what's embedded in the back-half guidance or the revised full year guidance? Because this is now the second time in, I don't know, 40-45 days that we're revising the full year outlook. …there are a few people out there that have many decades of PSR experience that have seen PSR implemented… Those guys seem to be available on a consultancy basis. I don't know if there is scope to bring in somebody on a short-term basis to accelerate some of the progress… Is that something that you're considering or looking at doing?*" – Deutsche Bank
  - July 2022 earnings call: "*I want to ask just a bigger picture question. I think some people are questioning the success or maybe the sustainability of PSR. … We were supposed to do at 55% this year on our way to a lower low to mid-50s OR in a couple of years. Are those just the wrong numbers to be thinking about now for the OR over time?*" – Wolfe
  - October 2022 earnings call: "*And then for next year, I heard the word confident a lot. …but not confident enough to give the OR guide for next year of 55%. ...is 55% achievable for next year?*" – RBC
  - January 2023 earnings call: "*…you laid out a multiyear productivity improvement for the network. …are you confident that you can eventually obtain the aggregate plan over time? …reset at a lower level going forward?*" – Evercore ISI
  - January 2023 earnings call: "*…can you talk a little bit to the longer-term transition plans? What skill sets do you think the Board really is focused on for the next leader of the business.*" – Susquehanna
  - January 2023 research report: "*After a period pre-pandemic where significant improvement in operating efficiency resulted in the mgmt. team at the time boasting a forecast for an 'industry leading O/R,' mgmt. has now backed off that objective… Looking back to the period late 2016 to early 2019, that time was characterized by guidance that lacked conviction, a dearth of PSR expertise at the mgmt. level and (ultimately) sub-par operating results. Fundamentally, we are concerned that we are entering a new period characterized by the very same challenges.*" – RBC

No one, including UNP management, believes the May 2021 investor day guidance

SOROBAN Capital Partners LP

Compared to the investor day guidance from less than 2 years ago, investors are now expecting UNP to grow volumes at only one-third of guided levels and grow revenue at half of guided incremental margins

- Awful execution in 2022 combined with a long history of operational mismanagement have led to widespread skepticism of UNP's ability to achieve the key targets established in May 2021. Consensus estimates are **significantly below** for all key investor day targets
- Current management no longer expresses confidence in achieving its long-term guidance in a timely manner
  - November 2022 conference: [on 55% OR target, which was supposed to be achieved in 2022] *"It's not going to be the goal for next year."*
  - January 2023 earnings call: [on long-term targets from investor day] *"…it may be over a longer period of time that those actually come to fruition. …the biggest opportunity is to improve that service product that from it drives out that excess cost when we think about our locomotive and our workforce productivity. That's job #1 right now…"*
  - January 2023 earnings call: [on 55% OR target, which no longer has a timeline despite initially guided for 2022] *"…to your 55 question, I mean you've heard us talk that, that is still our goal, and I'll reiterate that again. We have not put a new timeline on that because of all the things that you've heard us talk about here today in terms of the challenges that we're facing."*

	Investor Day Long-Term Guidance (2021-24)	Consensus Long-Term Estimates (2021-24)	vs. Investor Day
2021-24 Volume Growth	*"exceeding industry production, ~3% CAGR"*	~1% CAGR	**Significantly BELOW**
2021-24 Incremental Margins	*"mid to high 60% incremental margins"*	~34% incremental margins	**Significantly BELOW**
2022 OR	*"55.x%; industry leader"*	~60% OR (actuals)	**Significantly BELOW**
2024 OR	*implied ~53% OR based on sales growth and incremental margin guidance*	~59% OR in 2024	**Significantly BELOW**
2021-24 EPS Growth	*"low double digit EPS growth CAGR"*	~8% CAGR	**Significantly BELOW**

Source: Bloomberg and Visible Alpha consensus estimates as of 2/22/2023.

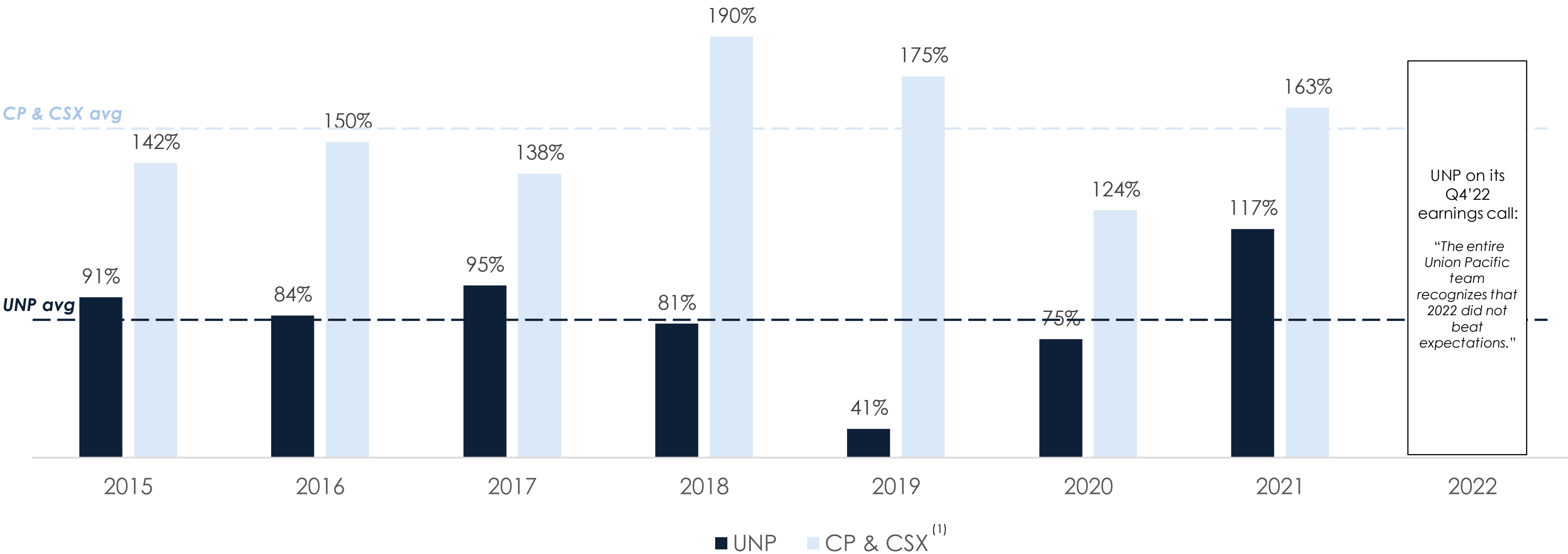
The Board clearly recognizes Lance Fritz's subpar results given his consistent failure to meet incentive compensation targets

SOROBAN Capital Partners LP

Lance Fritz has consistently failed to reach internal targets established by the Board over his eight-year tenure as CEO. It is clear he is not performing up to the Board's standards

- UNP's annual incentive compensation bonus is determined from financial targets (operating income and operating ratio) and business objectives (safety, service, etc.)
- As CEO, Lance Fritz has only been earning ~83% of a 200% potential annual incentive bonus (only one year above 100%). This is a low earn rate and significantly below the best-in-class railroad CEO average of ~155%

Management Annual Incentive Bonus

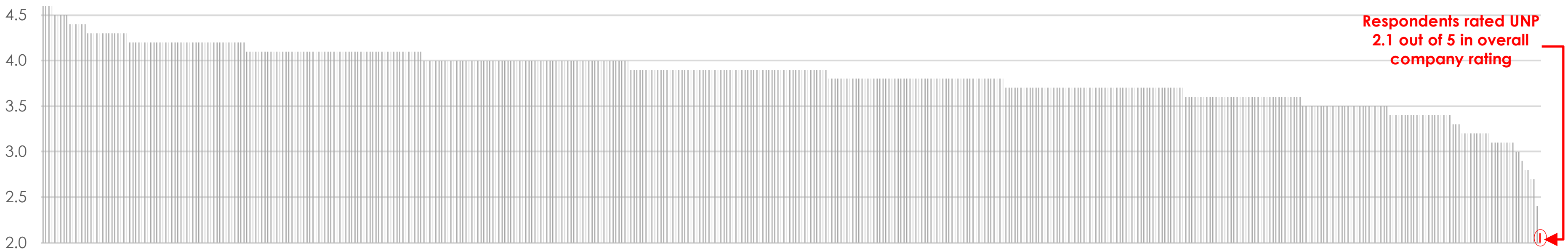


Source: company filings. Note: UNP's 2015-17 annual incentive bonus only discloses $ amount. % is calculated using the Board's 2017-21 target $ for Lance Fritz, which has remained constant.
(1) Represents annual incentive bonus for Hunter Harrison/Keith Creel at CP and Jim Foote at CSX.

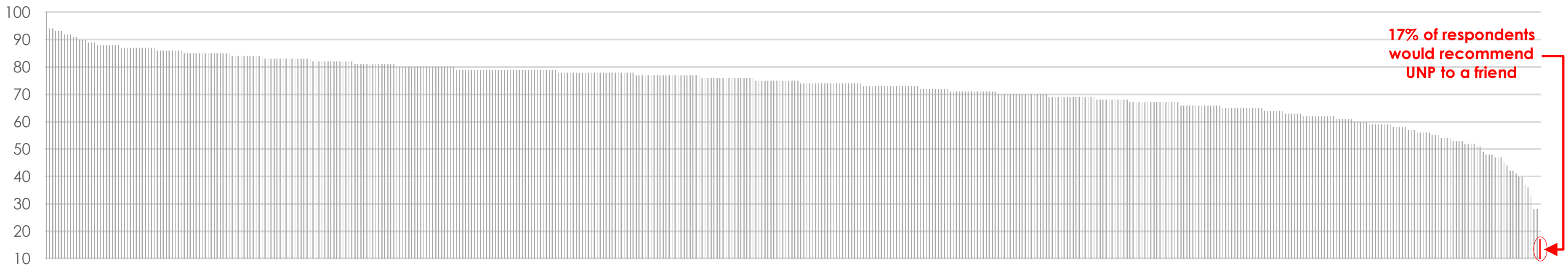
UNP employees are disgruntled with leadership, resulting in low employee morale…

SOROBAN Capital Partners LP

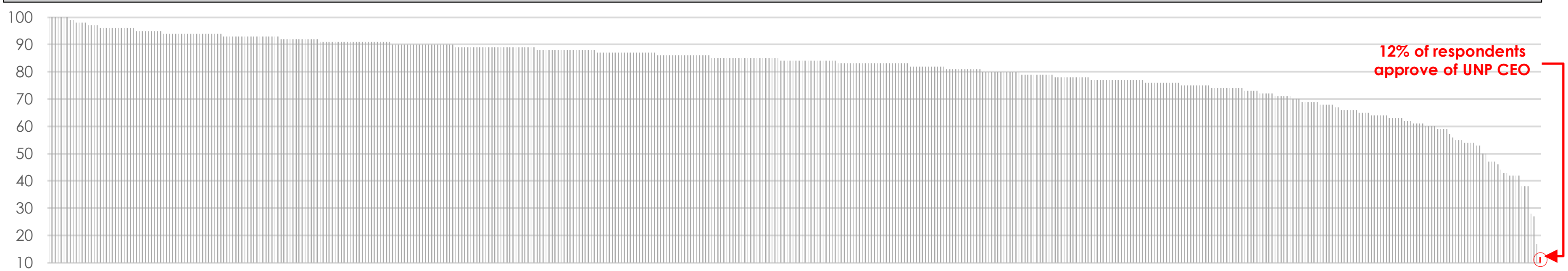
Ranked 500th out of 500 among S&P 500 Companies in Employee Ratings: "Overall Rating" (out of 5)



Ranked 500th out of 500 among S&P 500 Companies in Employee Ratings: "Recommend to a Friend" (%)



Ranked 500th out of 500 among S&P 500 Companies in Employee Ratings: "Approve of CEO" (%)



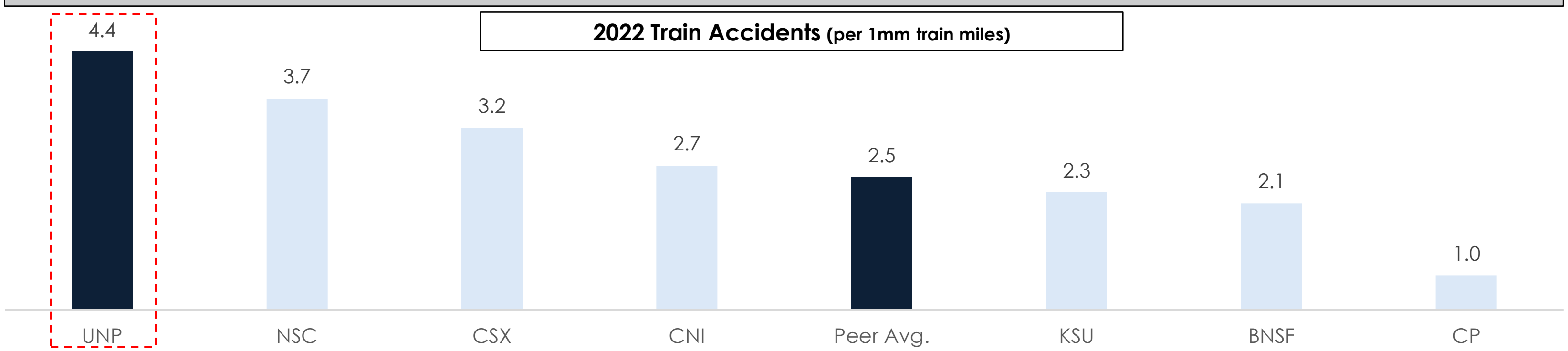
Source: Glassdoor as of 2/22/2023. Note: UNP is rated the worst on the above metrics among the Class I railroads as well.

…and partly the result of worst-in-class safety metrics

SOROBAN Capital Partners LP

- UNP's recent employee safety results have been unacceptable. Employee safety is paramount and highly correlates with well-run operations
- UNP has hired external safety consultants to address its safety problems, which is a clear sign of a weak grasp of operations. No other Class I railroad has publicly acknowledged the need for third-party safety consultants
- Management has consistently referred to employee safety results as "mixed" or "did not meet expectations"
  - *"Year-to-date, our safety results have been mixed. …personal injuries increased. … As I mentioned at the start, **we must improve our safety performance**."* – July 2021
  - *"One area of continued focus by the team as you've heard us talk about this morning is safety… **our safety metrics lag 2020**…"* – October 2021
  - *"…our fourth quarter safety and service performance **did not meet expectations**. … We have engaged an external safety partner to focus on advanced risk identification and mitigation, coupled with enriched behavioral safety programs. …it's imperative that we make progress on safety."* – January 2022
  - *"**Safety results have been mixed to start the year** as we implement enhancements to our safety programs through partnerships and guidance from our external safety consultant. …we've had an **uneven start to the year with safety**, but we're not deterred. We're in the process of implementing changes to our safety programs as a result of our work with experienced safety consultants."* – April 2022
  - *"…the **derailment rates have not yet improved compared to 2021**…"* – July 2022
- Former executives have expressed concerns around management's handling of employee safety
  - *"In the past it was always interpreted fairly if an injury on the job occurred. Now, as employees have seen, if you report an injury the **company will come back with the argument that the injury only occurred because the employee was negligent** in following safety rules no matter the situation. Not following safety rules is cause for dismissal. So, **employees have gotten the message not to report injuries or problems**… retaliation against whistleblowers is rampant."* – Former UNP Executive(1)
  - *"**I think safety program is not as heavily [handled] on the accountability piece**. I think that has really hurt their brand. Not holding people accountable for rules violations that are extremely serious in nature. They became very lenient on how they handled those situations."* – Former UNP Executive(2)

Consistent with prior years, UNP continues to deliver worst-in-class safety metrics, nearly 2x worse than the peer average



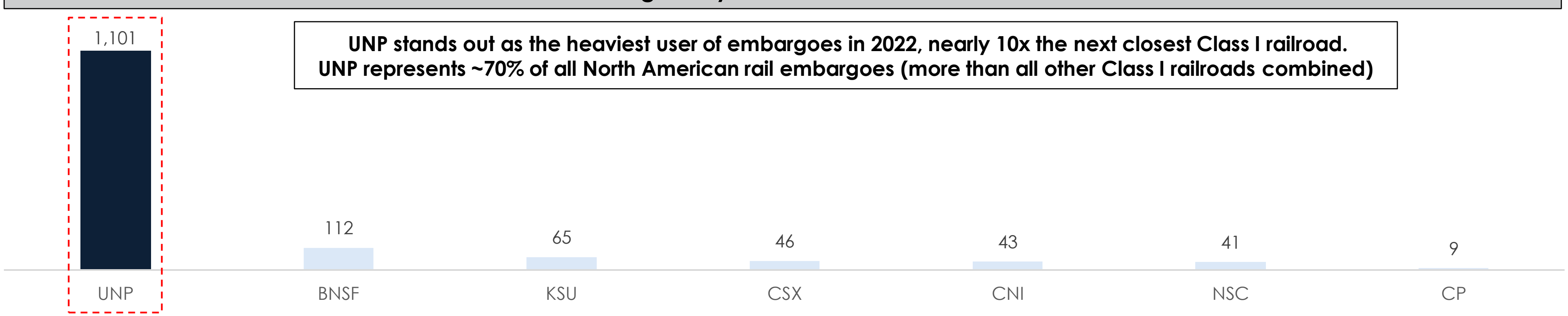
Source: Federal Railroad Administration – Office of Safety Analysis (reporting level: system). Note: 2022 represents latest data available as of 2/22/2023.
(1) Conducted by third-party consulting firm. (2) From Stream Research Group (https://research.alpha-sense.com?docid=EC-121822-125964).

Regulators have singled out UNP as the worst operated railroad

SOROBAN Capital Partners LP

- UNP is facing unprecedented pressure from the Surface Transportation Board ("STB"), who has **singled out UNP as providing the worst service among the Class I railroads**. Pressure is escalating as UNP continues to fail to meaningfully improve service
  - *"UP's May 20 response to the Board's May 6 Order was by far the worst of all the carriers and reflected an attitude of indifference to the documented effects of its service deficiencies on its customers and of disregard for the Board's statutory oversight of the freight rail industry."* – STB Chairman Martin Oberman (6/13/2022)
- The STB requested that Lance Fritz attend a hearing on UNP's "substantial" increased use of embargoes
  - *"The Board has received numerous reports that shippers are suffering supply chain problems as a result of the embargoes… The Board notes that UP carries nearly 27 percent of freight served by rail and nearly 11 percent of all long-distance freight volume. Therefore, disruptions in UP's service levels have a significant detrimental impact on the supply chain and the nation's economy."* – STB press release (11/22/2022)
- Despite the gravity of the situation, Lance Fritz failed to provide the adequate data ahead of the hearings per the STB's request, resulting in a public admonishment by Martin Oberman (STB chairman)
  - *"I am writing to inform you of serious concerns regarding Union Pacific Railroad Company's (UP) response to the Board's November 22, 2022 order. …failed to provide any detail on those topics, and it failed to provide any information or discussion of other topics. …silent on most of the topics listed in the November 22 order. … Unfortunately, UP's failure to fully respond to the order has hindered the Board in its efforts to understand this increase in the use of embargoes, and their causes and impacts."*– STB Chairman Martin Oberman, Letter to Lance Fritz (12/8/2022)
- Simply put, UNP's operations are so poorly run that it must purposely turn down business. According to seasoned railroading experts, these embargoes are not necessary and are an overwhelming sign of poor operational execution

Embargoes by Class I Railroads in 2022



Source: Association of American Railroads.

UNP failed to hit the service targets it established for the STB…

SOROBAN Capital Partners LP

Service metric targets established by UNP in its June 2022 STB filing with a timeline of year-end were significantly below 2019 levels, when Jim Vena led UNP's operations. Despite this, at year-end UNP missed 5 out of its 7 service metric targets

	Service Targets Established for the STB			Today vs. 2019 (when Jim Vena led operations)		
	Target Established in June 2022 STB Filing for end of 2022	Final 2022 STB Service Filling[(1)]	Final 2022 vs. Target	2019, Under Jim Vena[(2)]	Today[(3)]	Today vs. 2019
Car Velocity	*"Union Pacific's goal is to achieve a system average car velocity target of 207 miles per day within the next 6 months…"*	181 miles per day (higher = better)	**MISSED**	221 miles per day (higher = better)	183 miles per day (higher = better)	**Significantly Worse**
Cars per Carload	*"Union Pacific's goal is to achieve a system average of cars per carload target of 7.9 by the end of December 2022…"*	9.2 (lower = better)	**MISSED**	7.0 (lower = better)	8.3 (lower = better)	**Significantly Worse**
First Mile Last Mile	*"By the end of December 2022, Union Pacific's goal is to achieve a system target for FMLM of above 91%..."*	88% (higher = better)	**MISSED**	93% (higher = better)	90% (higher = better)	**Significantly Worse**
TPC Manifest	*"Union Pacific's goal is to achieve a system average TPC Manifest target of 70% by the end of December 2022…"*	69% (higher = better)	**MISSED**	81% (higher = better)	71% (higher = better)	**Significantly Worse**
TPC Bulk	*"Union Pacific's goal is to achieve a system average TPC Bulk target of 81% by the end of December 2022…"*	70% (higher = better)	**MISSED**	90% (higher = better)	78% (higher = better)	**Significantly Worse**
TPC Intermodal	*"Union Pacific's goal is to achieve a system average TPC Intermodal target of 80% by the end of December 2022…"*	84% (higher = better)	Achieved	Undisclosed	81% (higher = better)	--
Operating Inventory	*"Union Pacific's goal is to achieve and maintain an operating inventory target of 193,000 by the end of December 2022…"*	183,367 (lower = better)	Achieved	160,407 (lower = better)	179,342 (lower = better)	**Significantly Worse**

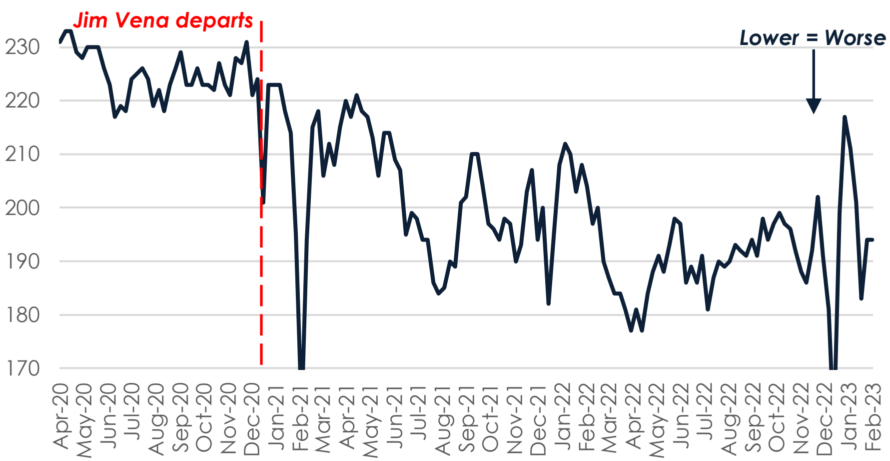
(1) UNP's final Service Progress Report filed to the STB in 2022, dated 12/30/2022. (2) From 10/28/2022 STB filing, depicting averages over an eight-week period in 2019. (3) UNP's latest Service Progress Report filed to the STB as of 2/22/2023.

…as UNP's service/operating metrics have deteriorated and are still slowly recovering

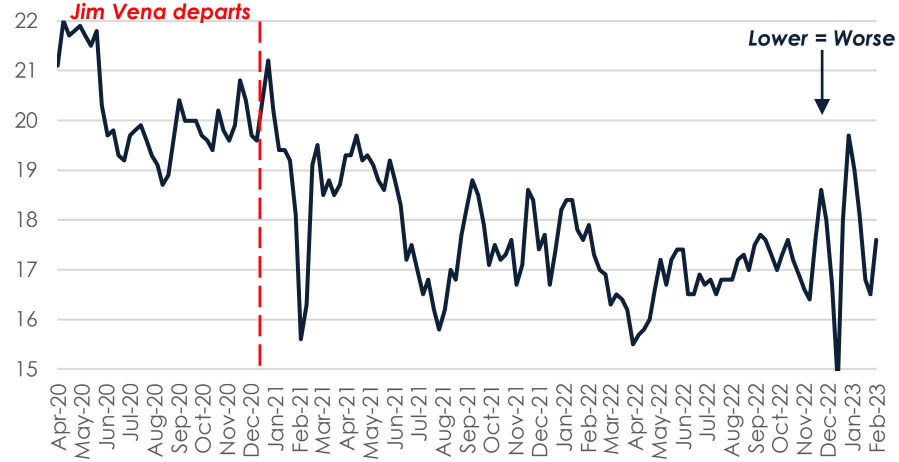
SOROBAN Capital Partners LP

Service and operating metrics have deteriorated since Jim Vena's departure. Countless UNP customers have filed complaints to the STB about UNP's poor service

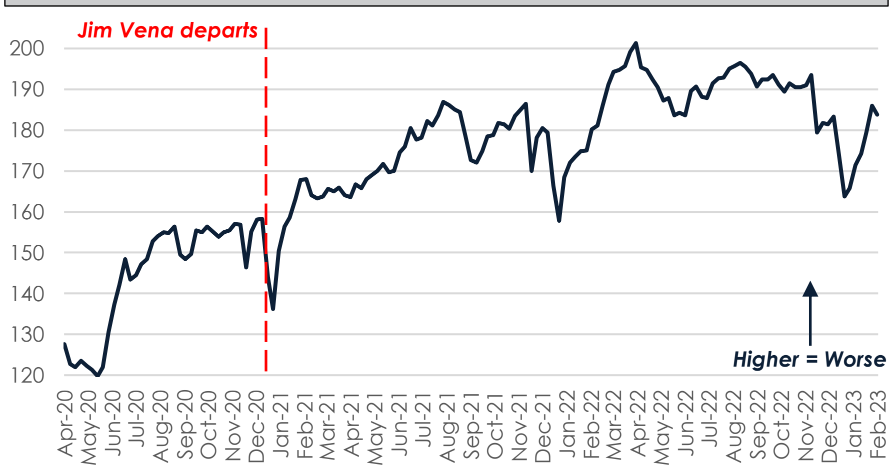
Freight Car Velocity (miles/day)



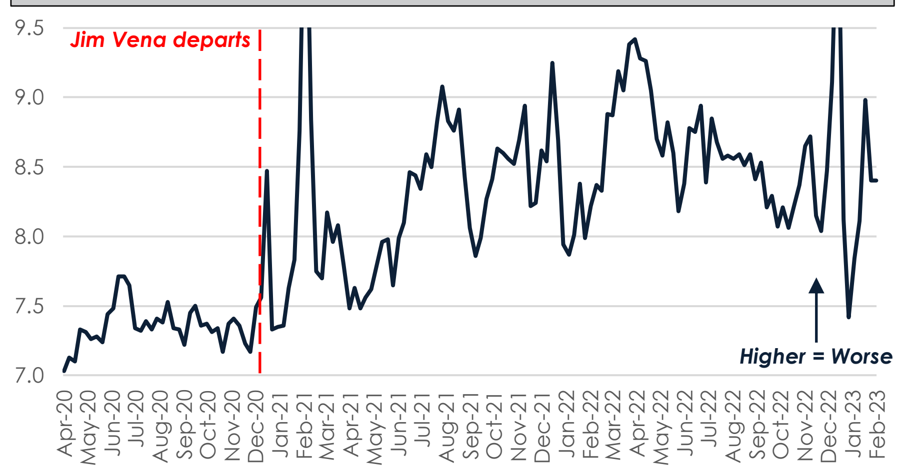
Train Velocity (mph)



Operating Car Inventory (in 000s)



Switch and Run-Through Car Dwell (hours)



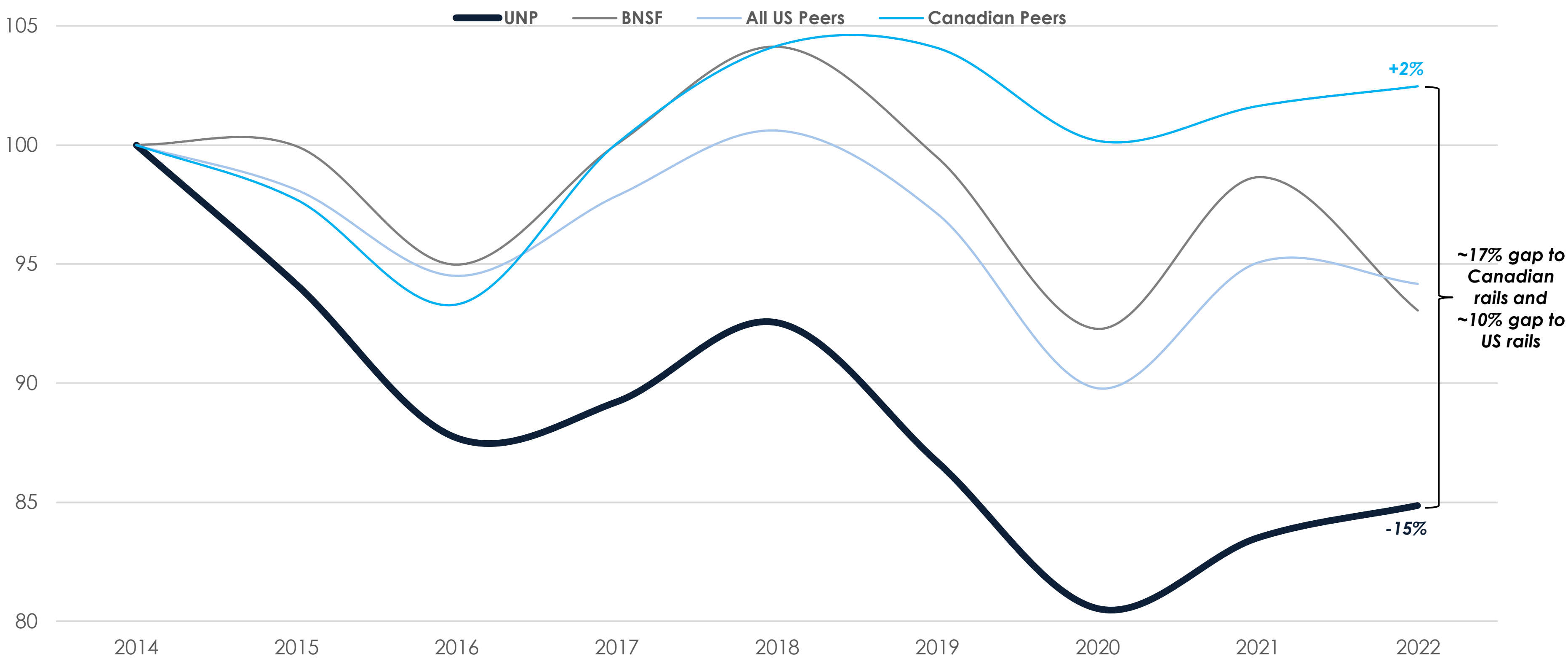
Source: company website as of 2/22/2023.

Poor service and operations have resulted in industry worst volume performance…

SOROBAN Capital Partners LP

Under current leadership, UNP has not only failed to grow volumes but also meaningfully lagged both US and Canadian Class I railroads. This has significantly impaired shareholder value potential

2014 carloads indexed to 100

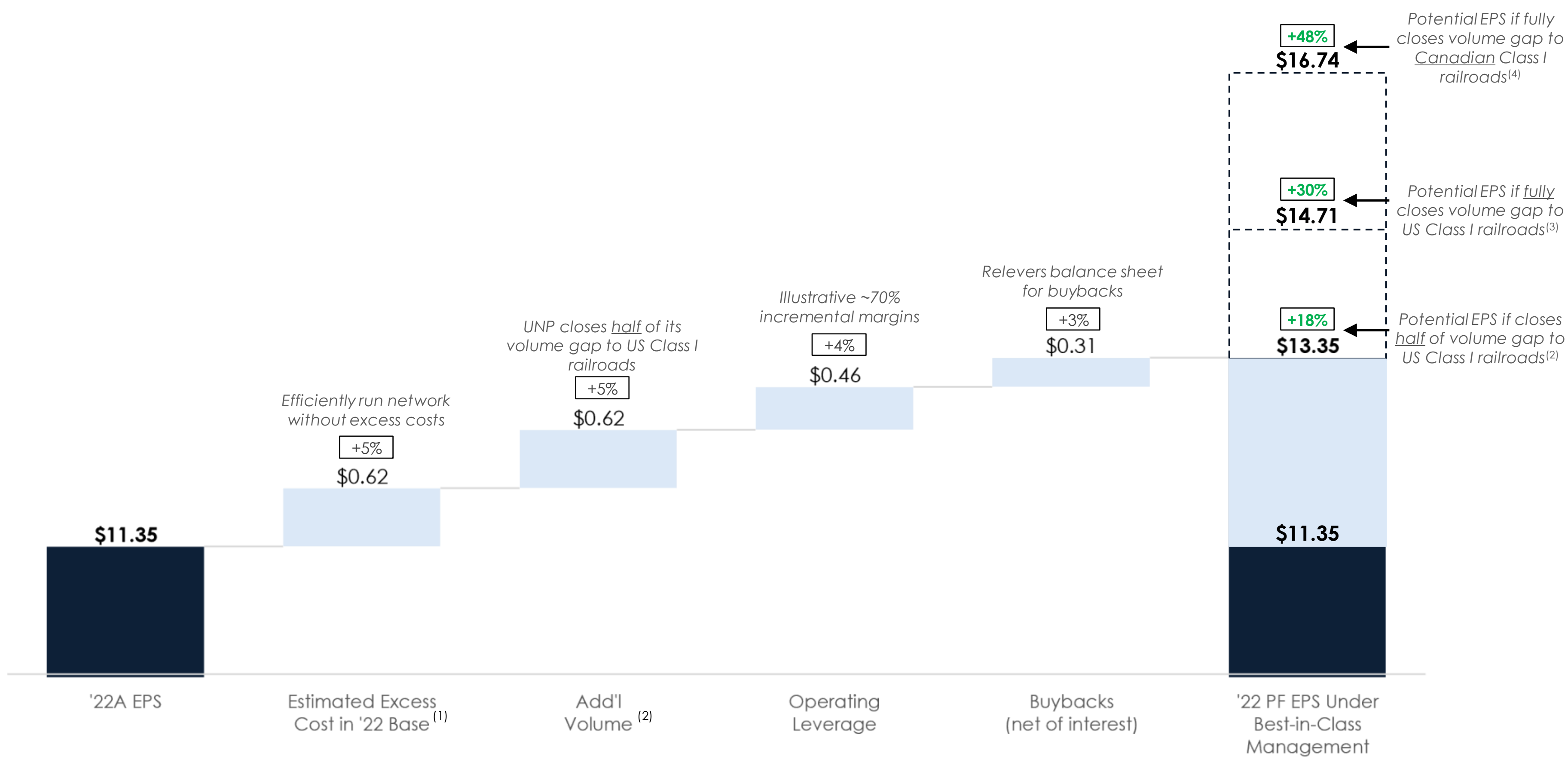


Source: company filings, 2022 BNSF volume growth from Association of American Railroads. Note: all US peers include BNSF, CSX, NSC, and KSU.

…significantly impairing shareholder value creation

SOROBAN Capital Partners LP

Illustrative 2022 PF EPS under best-in-class management implies ~18% to ~48% earnings upside



(1) Soroban estimates at ~$500mm. (2) ~5% additional volume vs. today. (3) ~10% additional volume vs. today. (4) ~17% additional volume vs. today.

Railroad industry has a long history of experienced operational leadership improving outcomes

SOROBAN Capital Partners LP

As has been historically demonstrated, installing experienced operational leadership across the railroad industry has consistently and dramatically improved outcomes – it will be no different at UNP

Headline	Initial Board Reaction	Result
Pershing Square calls for management change at Canadian Pacific (2012)	• Defends CEO, saying targets are a "shot in the dark" and show a lack of understanding the industry and CP's reality • Hires independent consultant to support view that Pershing Square's OR target of 65% is not achievable since CP's rail network is characterized by steeper grades and greater curvatures vs. those of peers	• Existing CEO resigns and is replaced with Hunter Harrison (railroad operations expert with deep railroading experience); five other directors, including Chairman of the Board, were replaced with Pershing Square's Board nominees • Operation outcome: CP improves from the worst OR to best-in-class levels today (~2,000bps of improvement); operating ratio now significantly better than Pershing Square's original target of 65%, which was initially deemed impossible by the Board (61% OR today – expected to lower in coming years) • Shareholder outcome[(1)]: best performing railroad stock over the next two years, outperforming peer average by ~80% and the S&P 500 by ~85% • Customer outcome: business wins lead to record volumes on railroad and best service metrics in company history
Mantle Ridge calls for management change at CSX (2017)	• Initially pushes back but quickly relents after pressure from other shareholders • Eventually receptive to management change and Mantle Ridge's operational plan; however, continues to push back against Mantle Ridge's proposals around CEO compensation and Board representation	• Existing CEO retires and is replaced with Hunter Harrison (railroad operations expert with deep railroading experience); three incumbent directors were replaced with all five of Mantle Ridge's Board nominees • Operation outcome: CSX improves from the worst OR to best-in-class levels today (~900bps of improvement) • Shareholder outcome[(1)]: best performing railroad stock over the next two years, outperforming peer average by ~70% and the S&P 500 by ~95% • Customer outcome: business wins lead to volume outgrowth on railroad and best service metrics in company history
TCI calls for management change at Canadian National (2021)	• Responds with press release to counter TCI's "misleading claims" • Defends CEO and current Board representation • Doubles down on decision to pursue the acquisition of Kansas City Southern	• Existing CEO retires and is replaced with Tracy Robinson; existing COO is replaced with Ed Harris (railroad operations expert with deep railroading experience); TCI adds two independent directors to the Board; CNI does not acquire Kansas City Southern • Operation outcome: while still in progress, the first year under new management has been successful, highlighted by meaningful year-over-year improvements in service and safety metrics despite a challenging macroeconomic backdrop • Shareholder outcome[(1)]: while still in progress, CNI has been the best performing railroad stock, outperforming peer average by ~15% and the S&P 500 by ~20% • Customer outcome: since the change in management, CNI has meaningfully improved service metrics, despite headwinds from supply chain constraints

After replacing existing management with experienced operational leadership, CP, CSX, and CNI have all been widely regarded as best in class among the North American Class I railroads

Note: peers include all public Class I railroads. (1) Includes dividends; calculation uses day before public rumors of shareholder engagement as starting date; CN shareholder outcome as of 2/22/2022.

Experienced operational leadership is necessary to drive operational and financial outperformance

SOROBAN Capital Partners LP

Those **with** experienced operational leadership have thrived

Company	Experienced Operational Executive	Tenure Start	Tenure End	OR Improvement	Total Shareholder Return Company	Total Shareholder Return SPX
CNI	Hunter Harrison	Mar-98	Dec-09	~1,100bps	499%	25%
CP	Hunter Harrison + Keith Creel	Jun-12	Ongoing	~2,000bps	561%	287%
CSX	Hunter Harrison + Jim Foote	Mar-17	Sep-22	~900bps	217%	105%
UNP	Jim Vena	Jan-19	Dec-20	~425bps	55%	40%
KSU	Sameh Fahmy	Feb-19	Nov-21	~325bps	182%	67%

Those **without** continue to be worst in class

	Volume Growth 2014-22	Ranking
KSU	4.8%	Best
CP	3.7%	2nd
CNI	1.3%	3rd
BNSF	**-7.0%**	**4th**
CSX	-10.2%	5th
NSC	**-10.9%**	**6th**
UNP	**-15.1%**	**Worst**

	Recent OR [1]	Ranking
CNI	57.9%	Best
CP	59.1%	2nd
CSX	60.9%	3rd
UNP	**61.0%**	**4th**
NSC	**63.5%**	**5th**
KSU	64.4%	6th
BNSF	**66.2%**	**Worst**

Source: Bloomberg as of 2/22/2023. Note: total shareholder return calculations includes dividends and uses day before public rumors of shareholder engagement as starting date and announced executive departure as ending date. (1) BNSF represents YTD 2022 as Q4'22 results have not yet been released.

It is imperative for the Board to act now to capitalize on the "golden age of railroading growth"

SOROBAN Capital Partners LP

Nothing in eight years of evidence suggests UNP's current leadership can capitalize on this unprecedented long-term growth opportunity, and UNP has significant excess capacity to support years of future capital-light, high margin growth

"Golden Age of Railroading Growth"

Trucking market facing structural headwinds		US undergoing new industrial investment super cycle		Increasing focus on scope 3 greenhouse gas emissions		Significant excess capacity on rail networks		Structural outlook for railroading growth has never been higher
Trucks, the main alternative to rails, are facing numerous structural headwinds that necessitate higher trucking rates. This will make rails more appealing relative to trucks (and enhance the pricing power of rails)	+	The US is poised for a new industrial investment super cycle, the result of a decade of underinvestment, reshoring critical supply chains, and decarbonization trends. This large capex will be disproportionally served by rails (heavy nature of materials)	+	Railroads are key in the fight against climate change. Compared to trucks, rails on average emit up to ~75% less greenhouse gases. As a result, we expect rails to be significant market share gainers	+	UNP currently has substantial excess capacity, meaning additional volumes require de minimis capital investment (UNP only running at ~80% of full network potential today). Incremental volumes will come at very high margins	=	It is imperative for the Board to act now to change UNP's leadership in order to capitalize on the "golden age of railroading growth"

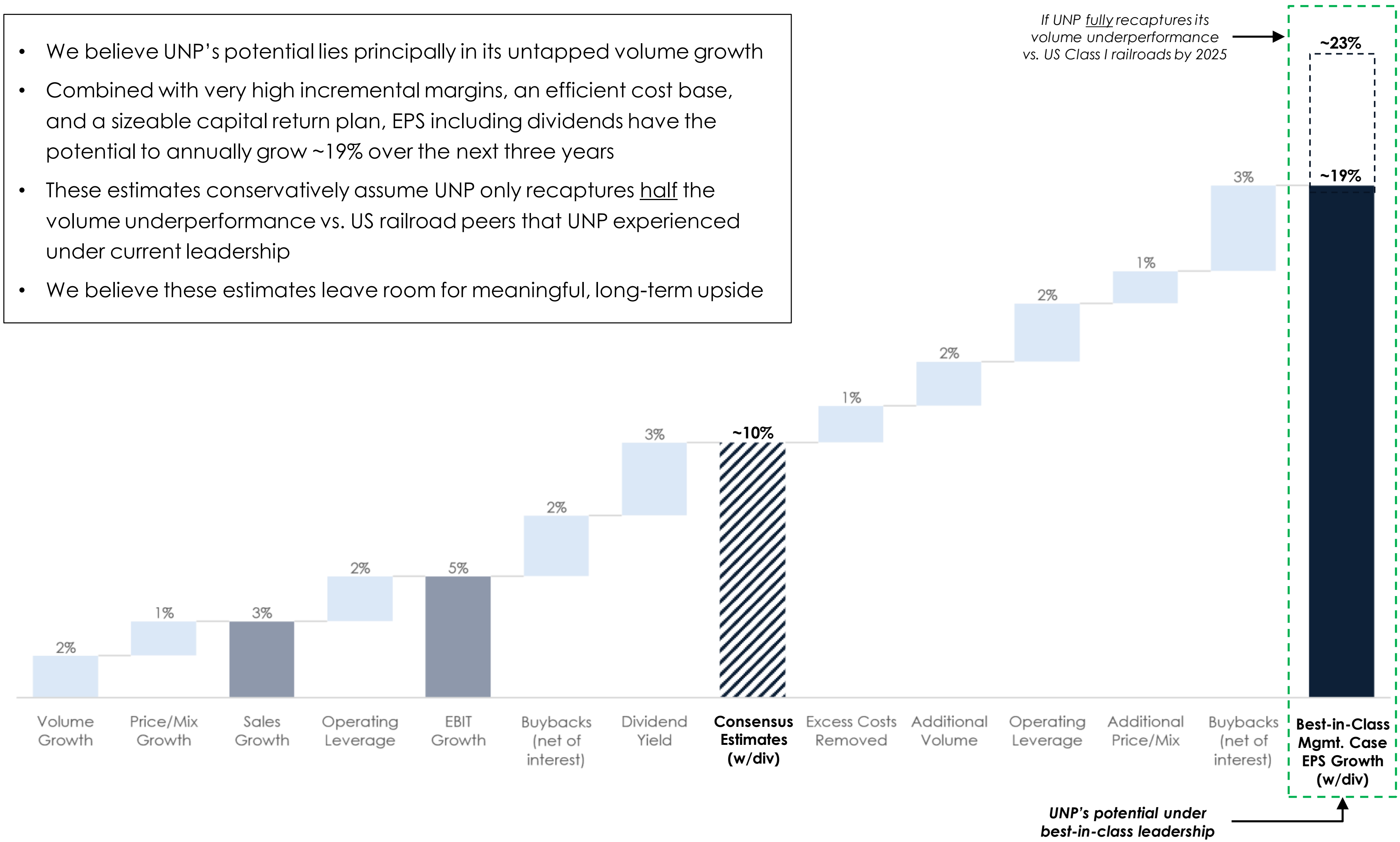
See Appendix for More Details

With best-in-class leadership, UNP's potential is significant

SOROBAN Capital Partners LP

2022A-2025E EPS w/ Dividends CAGR Bridge: "Consensus" to "Best-in-Class Management Case"

- We believe UNP's potential lies principally in its untapped volume growth
- Combined with very high incremental margins, an efficient cost base, and a sizeable capital return plan, EPS including dividends have the potential to annually grow ~19% over the next three years
- These estimates conservatively assume UNP only recaptures half the volume underperformance vs. US railroad peers that UNP experienced under current leadership
- We believe these estimates leave room for meaningful, long-term upside



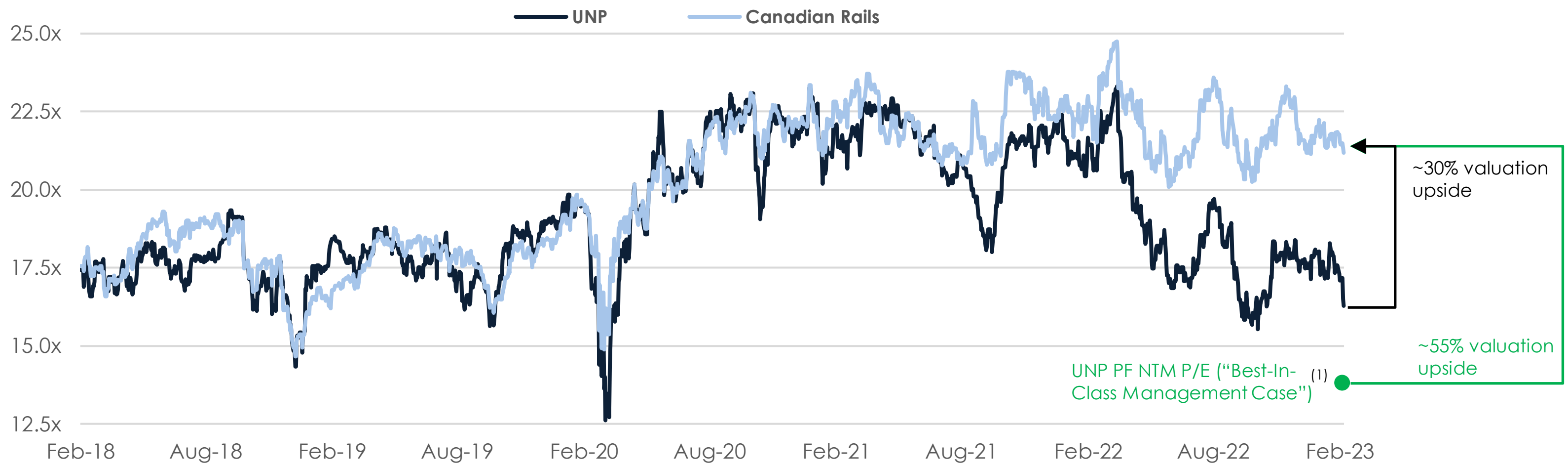
UNP under best-in-class leadership has significant multiple re-rate potential

SOROBAN Capital Partners LP

If volume growth accelerates to UNP's potential, we believe investors will reward this higher growth with a valuation more in line with UNP's Canadian peers and other high-quality US industrial companies

UNP historically traded in line with the Canadian rails but has recently de-rated on poor execution

Rail Multiples (NTM P/E)



High-quality industrial companies trade at materially higher P/E multiples

High-Quality Industrial Company Multiples (NTM P/E)

XYL	32x	SAF	26x	ITW	24x
ECL	31x	ROP	26x	MLM	24x
TDG	31x	SHW	25x	OTIS	24x
VMC	29x	WM	25x	APD	24x
ODFL	28x	ROK	25x	AI	23x
CPRT	28x	RSG	25x	IR	22x
IEX	26x	DHR	25x	TT	21x
FAST	26x	LIN	25x	HON	21x

High-Quality Industrial Company Average:	**25.6x**
Memo: UNP Consensus NTM P/E	16.3x
Memo: UNP PF NTM P/E ("Best-in-Class Management Case")(1)	13.8x

~55% valuation upside

~85% valuation upside

Source: Bloomberg as of 2/22/2023. Multiples represent blended forward twelve months. (1) Conservatively assumes UNP only recaptures half the volume underperformance vs. US railroad peers that UNP experienced under current leadership. Calculated using consensus forward EPS and applying an ~18% increase as detailed on slide 31.

Summary

SOROBAN Capital Partners LP

Soroban's mission is simple: we want UNP to prosper. Unlike typical shareholder engagements which come with numerous demands, Soroban has only one ask: install new leadership who can get the trains to operate safely and on time

- The Board must hold Lance Fritz accountable for UNP's failures during his eight-year tenure as CEO
- It is imperative for the Board to pair the best railroad in North America with the best leadership team to capitalize on what we expect to be a "golden age of railroading growth"
- Fortunately, we believe Jim Vena would be keen to return to UNP in a new leadership role
- We believe UNP shareholders would overwhelmingly support a change in leadership, as new best-in-class leadership could potentially double the stock price and create ~$67bn of incremental shareholder value over the next two years
- UNP's key constituents – employees, customers, regulators, the US economy, the environment, and shareholders – would all significantly benefit from an efficiently operating railroad

Soroban is completely committed to seeing that these changes be expeditiously implemented

Soroban's estimates are significantly above consensus yet leave room for meaningful, long-term upside

SOROBAN Capital Partners LP

- Our estimates conservatively assume UNP only recaptures half the volume underperformance vs. US railroad peers that UNP experienced under current leadership. We believe these estimates leave room for meaningful, long-term upside
  - Volumes: we believe with best-in-class leadership volume growth can accelerate. Today, UNP volumes are 15-20% below peak. Under current leadership, US and Canadian Class I railroads have outgrown UNP in volumes by ~10% and ~17%, respectively
  - Incremental Margins: UNP currently has substantial excess capacity, meaning additional volumes require de minimis capital investment as UNP is only running at ~80% of full network potential today. As a result, volume growth will come at very high incremental margins
    - *"I mean we've got capacity up to -- we [ran] over a decade ago close to 200k 7-day carloadings for the entire year. And we're around -- we're less than 170k today. So we've got excess capacity."* – September 2019 conference
    - Investors believe management can do better than guided incremental margins of mid- to high 60%s: *"And then just to maybe clarify on the incremental margin range… mid- to high 60%s, I would think maybe you can do a little bit better or towards the high end of the range because it sounds like you've got 60% to 70% capacity on the network, or you have 30% to 40% additional."* – JP Morgan, May 2021 investor day

Illustrative Financial Overview

	Best-in-Class Management Case				Sell-Side Consensus Case				
	2022A	**2023E**	**2024E**	**2025E**	**2022A**	**2023E**	**2024E**	**2025E**	
Sales	$24,875	$25,870	$27,577	$29,398	$24,875	$25,120	$26,078	$27,072	
% volume		2%	4%	4%		0%	2%	2%	
% price/mix		2%	3%	3%		1%	2%	2%	
% total growth		4%	7%	7%		1%	4%	4%	
Memo: avg weekly carloads (000s)	156.7	159.8	166.0	172.3 [1]	156.7	157.2	160.6	164.2	*Investor day guidance from May 2021 implied ~174k weekly carloads for 2025*
Operating Profit	$10,031	$11,228	$12,423	$13,697	$10,031	$10,169	$10,803	$11,460	
% margin	40%	43%	45%	47%	40%	40%	41%	42%	
% incremental		120% [2]	70%	70%		57%	66%	66%	
% OR	60%	57%	55%	53%	60%	60%	59%	58%	*Investor day guidance from May 2021 implied a ~52% OR for 2025*
% growth		12%	11%	10%		1%	6%	6%	
EPS	$11.35	$12.98	$15.21	$17.90	$11.35	$11.59	$12.66	$13.83	***~$20 EPS*** *if UNP fully recaptures its ~10% volume underperformance vs. US peers by 2025*
% growth		14%	17%	18%		2%	9%	9%	
% premium to consensus		12%	20%	29%					

Source: Bloomberg consensus estimates as of 2/22/2023. Note: investor day 2025 guidance and consensus 2025 estimates are extrapolated from each case's respective 2024 growth trend.
(1) Conservatively assumes UNP only recaptures half the volume underperformance vs. US railroad peers that UNP experienced under current leadership. (2) Elevated due to excess costs in 2022 base.

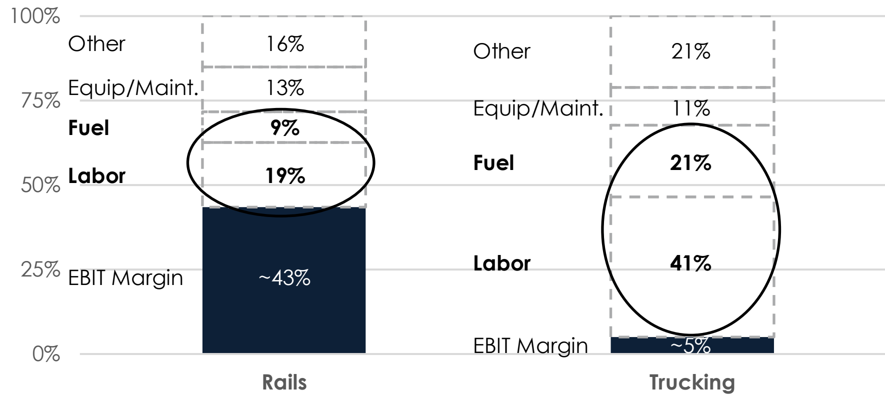
Appendix: "Golden Age of Railroading Growth"

"Golden age of railroading growth" (1/4): trucking market facing structural headwinds

SOROBAN Capital Partners LP

- Inflationary pressure from labor and fuel are pressuring trucking margins, causing truckers to raise rates. Trucks set the marginal price for most freight movements, creating a favorable (and rising) pricing umbrella for rails
- As truck prices need to rise to offset inflationary costs, rails become more attractive, particularly over longer lengths of haul
- Rails should be significant market share gainers going forward

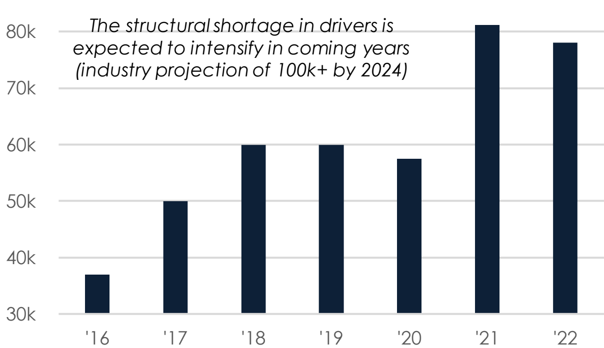
Trucking margin structure magnifies impact of fuel and labor cost inflation



Source: Soroban analysis. Rails cost profile per UNP's 2021 cost breakout. Trucking cost profile per the American Transportation Research Institution for 2021.

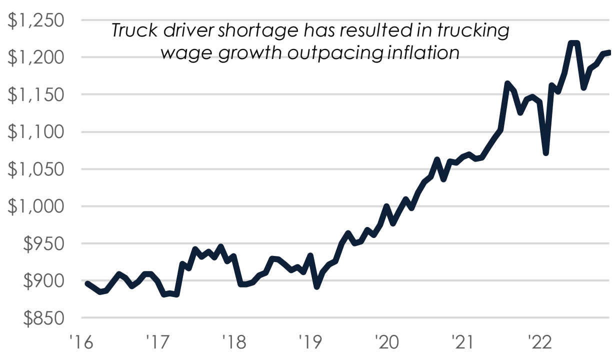
Trucking rates will be structurally higher, which makes rails comparatively more appealing (and enhance pricing power of rails)

Truck Driver Shortage



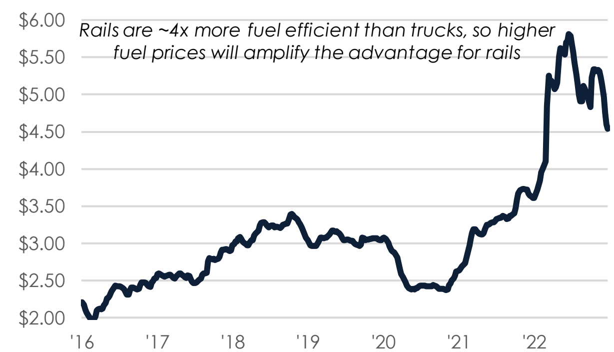
Source: American Trucking Associations.

Weekly Truck Driver Wages



Source: BLS, Morgan Stanley.

EIA Retail On-Highway Diesel **($/gallon)**



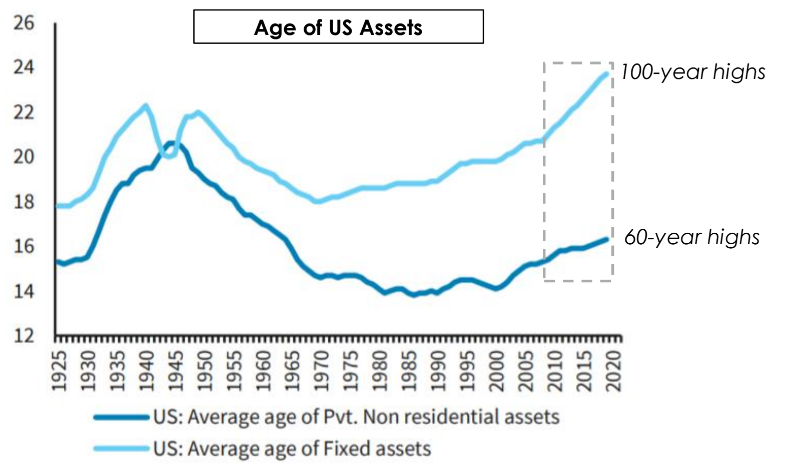
Source: Bloomberg.

"Golden age of railroading growth" (2/4):
US undergoing new industrial investment super cycle

SOROBAN Capital Partners LP

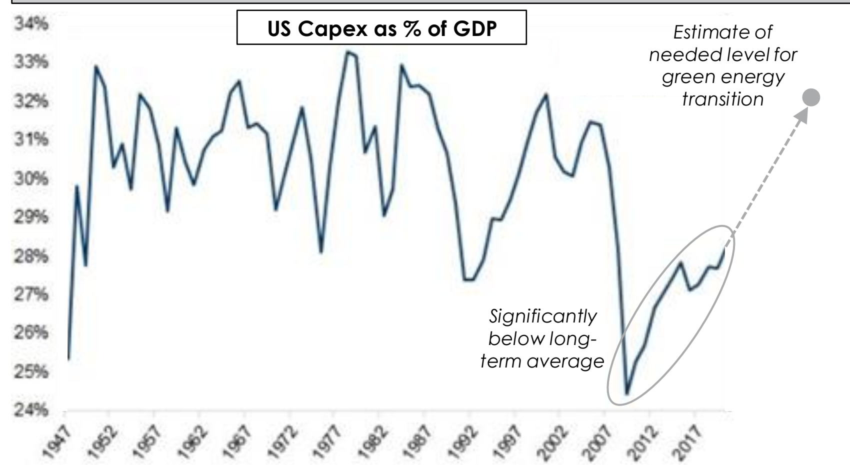
- The large capital investment boom in the 2000s and the subsequent demand shock of 2008/the GFC resulted in substantial excess capacity through much of the 2010s, leaving little need for new capacity investment
- This extreme underinvestment over the last decade is now colliding with pressure to reshore critical supply chains and invest for the capex-heavy "green energy transition," positioning the US for a robust industrial investment cycle
- This large industrial capex will be disproportionally served by rails due to the large scale and heavy nature of materials

US fixed assets are increasingly aging



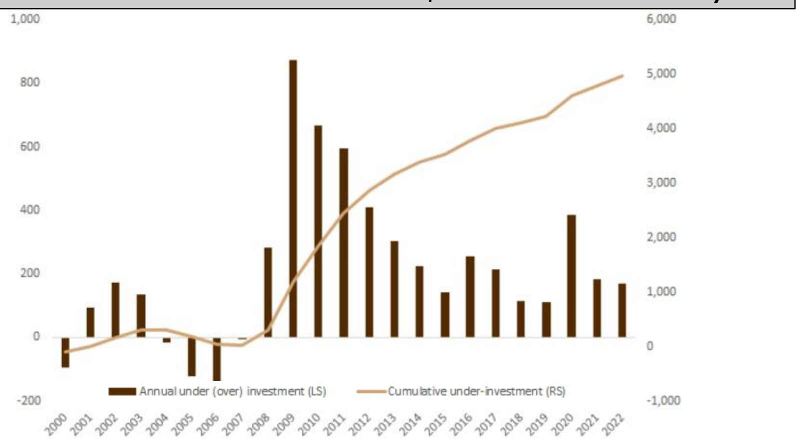
Source: BEA, Datastream, Barclays.

US capex is significantly below historical levels



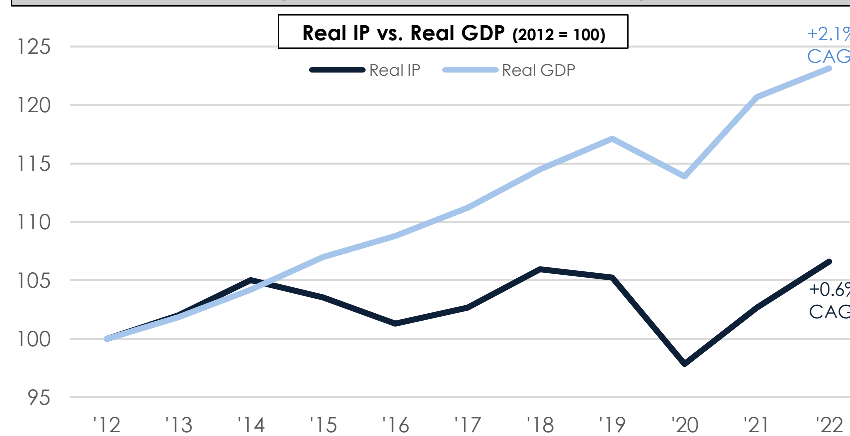
Source: Federal Reserve Economic Data, Goldman Sachs.

US private under-investment has totaled ~$5 trillion over the last 20 years



Source: US Census Bureau, UBS.

US industrial production is due for a catch up to GDP



Source: Federal Reserve Economic Data.

"Golden age of railroading growth" (3/4): increasing focus on scope 3 greenhouse gas emissions

Efficiently run railroads are key in the fight against climate change, as railroad growth will largely come at the expense of the less environmentally friendly alternative (trucks)

- Railroads are significantly "greener" than trucks (the main alternative). Moving freight by rail instead of trucks on average lowers greenhouse gas emissions by up to 75%
  - "*…freight railroads account for just 0.5% of total U.S. greenhouse gas emissions and just 1.9% of transportation-related greenhouse gas emission*" – US Environmental Protection Agency and Association of American Railroads
- Today, North American Class I railroads are significantly reducing global carbon emissions. Cumulatively, they contribute to ~124 million metric tons of carbon emissions savings per year. This is equivalent to removing ~27 million cars off the road, powering the electricity use of ~24 million homes, or carbon savings from ~34k wind turbines…
- …yet rails only ship ~8% of US freight after losing substantial share over the past two decades. As companies increasingly focus on reducing scope 3 greenhouse gas emissions, we expect rails to be significant market share gainers
- While rails are unlikely to ever capture all truck market share, small shifts from a low base have a significant impact. As recently as two decades ago, rails had an estimated ~10% share of US freight, which would be a ~25% increase in volumes vs. today

Rails contribute to ~124 million metric tons of carbon emissions savings per year

	Rails GHG Emissions (metrics tons CO2/yr)	Illustrative Truck Multiplier	Equivalent Trucks GHG Emissions (metrics tons CO2/yr)	GHG Savings from Rails Industry (metrics tons CO2/yr)
UNP	8,875,559	x 4	35,502,236	26,626,677
CSX	3,956,000	x 4	15,824,000	11,868,000
NSC	4,165,808	x 4	16,663,232	12,497,424
CNI	5,062,156	x 4	20,248,624	15,186,468
CP	2,861,000	x 4	11,444,000	8,583,000
BNSF	15,021,007	x 4	60,084,028	45,063,021
KSU	1,339,169	x 4	5,356,676	4,017,507
Total				**123,842,097**

Contextualizing ~124 million metric tons of carbon emissions savings per year

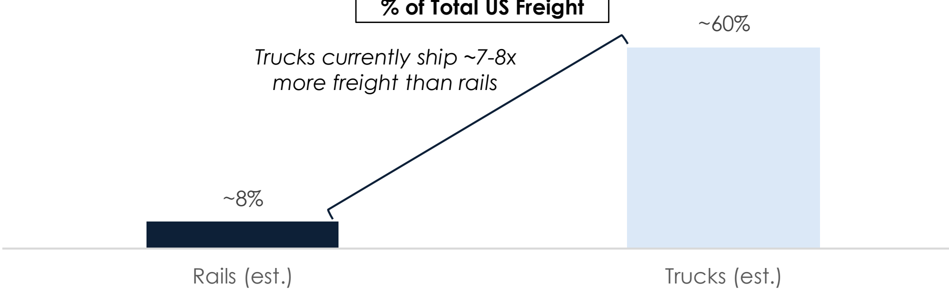
26,684,162
gasoline-powered passenger vehicles driven for one year
(~10% of US cars)

24,096,522
homes' electricity use for one year
(~20% of US homes)

33,662
wind turbines running for one year
(~40% of US wind turbines)

Share shift opportunity is significant

% of Total US Freight

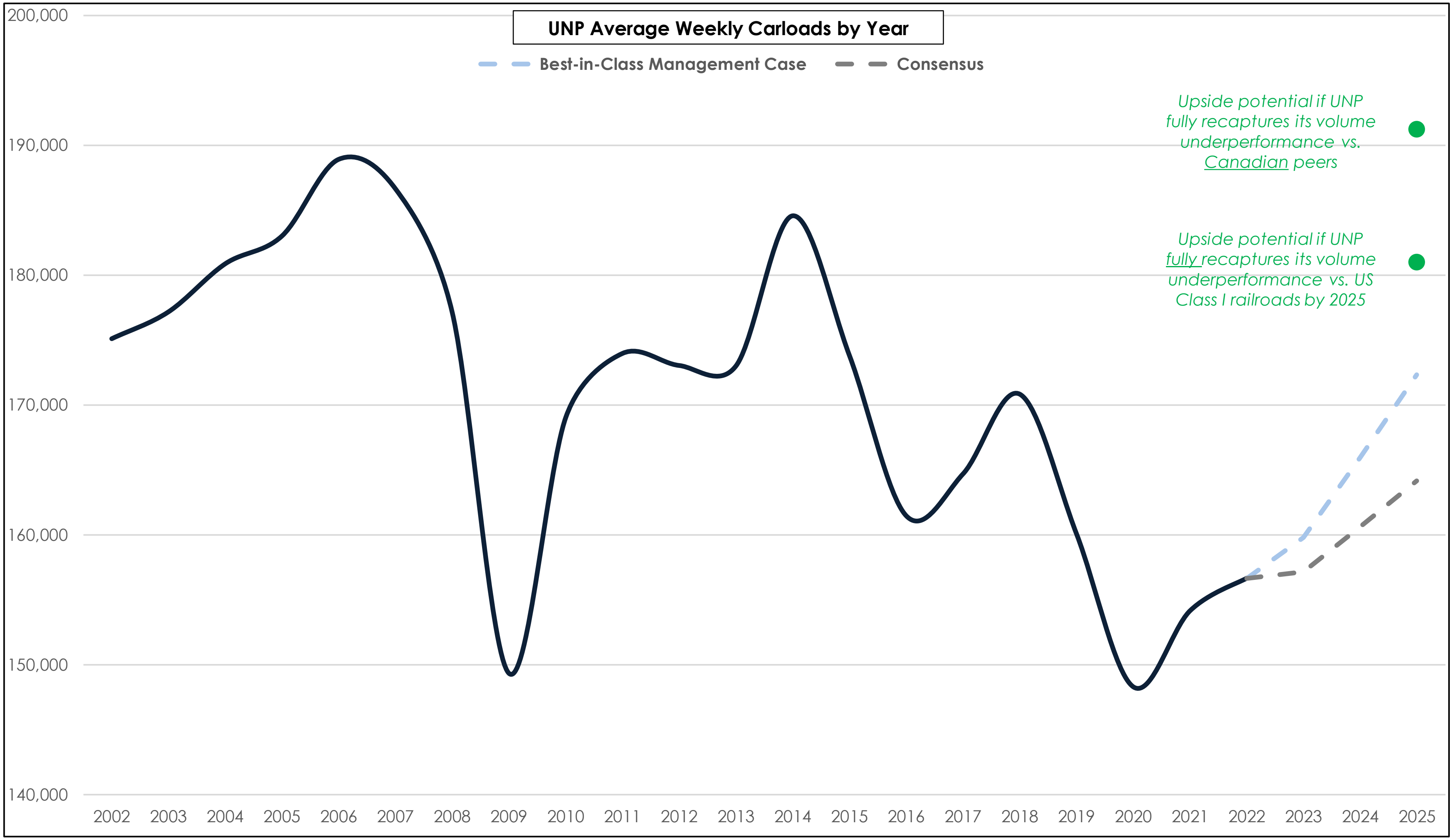


Source: Soroban estimates, Association of American Railroads, company reports, EPA's "Greenhouse Gas Equivalencies Calculator." Note: UNP, CSX, NSC, CNI, CP, and KSU represent Scope 1 GHG emissions in 2021. BNSF represents Scope 1 & 2 GHG emissions in 2019.

"Golden age of railroading growth" (4/4): significant excess capacity on rail networks

SOROBAN Capital Partners LP

Incremental volumes will come at very high incremental margins and require minimal capital investment due to significant excess capacity on UNP's rail network



Source: company filings, Soroban estimates, Visible Alpha consensus estimates as of 2/22/2023.