UNION PACIFIC CORP
Form 11-K
June 28, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

[X]ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

- OR -

[ ]TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to _________________

Commission file number 1-6075

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UNION PACIFIC AGREEMENT EMPLOYEE 401(k)

RETIREMENT THRIFT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UNION PACIFIC CORPORATION

1400 DOUGLAS STREET

OMAHA, NEBRASKA 68179

Union Pacific Agreement

Employee 401(k) Retirement

Thrift Plan

Employer ID No: 94-6001323

Plan Number: 015

Financial Statements as of and for the

Years Ended December 31, 2016 and 2015,

Supplemental Schedule as of

December 31, 2016, and Report of

Independent Registered Public Accounting Firm

UNION PACIFIC AGREEMENT

EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

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NOTE:Additional supplemental schedules required by the Employee Retirement Income Security Act of 1974, as amended, are disclosed separately in Master Trust reports filed with the Department of Labor or are omitted because of the absence of the conditions under which they are required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of

Union Pacific Agreement Employee 401(k) Retirement Thrift Plan

Omaha, Nebraska

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the "Plan") as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule listed in the Table of Contents has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Omaha, Nebraska

June 28, 2017

UNION PACIFIC AGREEMENT

EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS:		
Investments at fair value (Note 3)	$ 1,464,923,217	$ 1,336,818,743
Investments at contract value (Note 4)	147,842,129	144,558,812
Plan interest in Master Trust	1,612,765,346	1,481,377,555
Receivables:		
Contributions receivable from participants	-	5,077
Total receivables	-	5,077
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,612,765,346	$ 1,481,382,632

See notes to the financial statements.

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UNION PACIFIC AGREEMENT

EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS ATTRIBUTED TO:		
Investment income:		
Plan interest in Master Trust investment income (Note 4):		
Net appreciation (depreciation) in fair value of investments	$ 138,676,017	$ (153,679,702)
Interest and dividends	36,079,931	38,717,126
Net investment income (loss)	174,755,948	(114,962,576)
Contributions:		
Participant contributions	87,246,917	97,111,458
Employer contributions	2,926,541	3,076,929
Total contributions	90,173,458	100,188,387
Other	28,230	37,529
Total additions (deductions)	264,957,636	(14,736,660)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants	132,535,801	143,791,219
Other	1,039,121	953,157
Total deductions	133,574,922	144,744,376
NET INCREASE (DECREASE) IN NET ASSETS	131,382,714	(159,481,036)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	1,481,382,632	1,640,863,668
End of year	$ 1,612,765,346	$ 1,481,382,632

See notes to the financial statements.

UNION PACIFIC AGREEMENT
EMPLOYEE 401(k) Retirement THRIFT PLAN

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

1. DESCRIPTION OF PLAN

The following description of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the "Plan") is provided for general information only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined contribution plan covering employees of the Union Pacific Railroad Company and its railroad affiliates (the "Company") who are represented for the purposes of collective bargaining by a rail union to which eligibility to participate in the Plan has been extended. The Plan covers employees who have completed one year of service or were employees as of the effective date of the Plan, July 1, 1990. Vanguard Fiduciary Trust Company ("VFTC") serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions — Each year, participants may contribute 2% to 75% of their eligible compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code (the "Code"). A participant may designate all or a portion of his/her pre-tax contribution as a Roth contribution. Participants may also contribute 1% to 75% of their eligible compensation on an after-tax basis. Combined after-tax, Roth and pre-tax contributions may not exceed 75% of eligible compensation. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. The Company contributes to the Plan on behalf of each participant who contributes to the Plan and is represented by a rail union that has negotiated a matching contribution with the Company. The Company's matching contribution is an amount equal to 50% of the participant's pre-tax, Roth and after-tax contributions that are not in excess of 6% of the participant's eligible compensation for the payroll period. Participants may direct the investment of contributions made to their account into various investment options offered by the Plan or may elect to participate in the Vanguard Advisers Managed Account Program ("Managed Account Program"). The Managed Account Program is a program in which certain participants may delegate ongoing, discretionary investment management decisions with respect to their account to Vanguard Advisers, Inc. If a participant does not provide investment direction with respect to contributions made to their account, such contributions are invested in a default investment option designated under the Plan.

Participant Loans – The Plan does not offer a participant loan feature.

Participant Accounts — Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, employer-matching contributions (if applicable) and an allocation of the Plan's earnings (or losses) based upon the type of investments selected and their performance. The allocations are based on each participant's account balance by investment type. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting — Participants at all times have a 100% vested interest in their accounts.

Distributions to Participants — Following a participant's termination of employment, a distribution of benefits will be made upon request in a single sum payment. Distributions of the portion of a participant's account invested in the Union Pacific Common Stock Fund are distributed in cash unless shares of stock

are elected at the time of distribution. In-kind distributions are lump sum and any fractional shares are distributed in cash. A terminated participant may defer distribution until the earlier of the participant's required beginning date, as defined in the Plan, or the participant's death. If distribution is deferred until the participant's required beginning date, the participant may elect distribution either in a single sum or in the form of monthly, quarterly, semi-annual or annual installments. Such single sum distribution must be made (or installments begin) no later than the participant's required beginning date. If the participant remains employed with the Company after attaining age 70 1/2, the participant must either take a single sum distribution or begin installment payments no later than the April 1 of the year following the year in which the participant terminates employment.

In-service withdrawals, including withdrawals of rollover contributions, hardship withdrawals, and withdrawals on and after age 59 1/2 may be made by a participant from his or her account in accordance with the Plan's provisions.

Plan Administration — From November 1, 2014, through March 31, 2016, the Plan was administered by the Assistant Vice President, Compensation & Benefits, Union Pacific Railroad Company. Effective April 1, 2016, the Plan is administered by the Vice President, Human Resources of Union Pacific Railroad Company. Investment management fees for the Plan's investment options are netted against investment earnings. Except to the extent the Company is obligated, pursuant to the terms of a collective bargaining agreement, to pay expenses incurred for Plan administration, such expenses, including participant recordkeeping expenses, are payable from Plan assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of the participants' account balances and amounts reported in the financial statements.

Investment Valuation and Income Recognition — Investments are reported at fair value with the exception of fully benefit-responsive investment contracts. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Dividend income is recorded as of the ex-dividend date. Dividends are reinvested in a related participant fund. Interest income is recorded on the accrual basis. Purchases and sales of securities are recorded as of the trade date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

For fully benefit-responsive contracts held by a defined contribution plan, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the contracts because contract value is the amount participants would receive if they were to initiate permitted

transactions under the terms of the Plan. The statements of net assets available for benefits present the fully benefit-responsive investment contracts at contract value. The statements of changes in net assets available for benefits are also prepared on a contract value basis.

Administrative Expenses — Administrative expenses of the Plan are paid as described in the section “Plan Administration” in Note 1. All investment management and transaction fees directly related to the Plan investments are paid by the Plan. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments. Plan administrative expenses of $1,008,376 and $928,504 were paid in 2016 and 2015, respectively.

Distributions to Participants — Distributions are recorded when paid. There were no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid at December 31, 2016 or 2015.

New Accounting Standards — In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting. The ASU clarifies the presentation and disclosure requirements for an employee benefit plan’s interest in a master trust. This standard is effective for fiscal years beginning after December 15, 2018, and should be applied retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this standard on the financial statements.

3. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, established a single authoritative definition of fair value, set a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Plan classifies its investments into a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1 — Quoted market prices in active markets for identical assets or liabilities.

Level 2 — Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 — Unobservable inputs that are not corroborated by market data.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Methodologies — Valuation methodologies maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used to determine the fair value for each investment category and the fair value hierarchy tier to which each investment category has been assigned.

Company Stock Funds — These funds are invested exclusively in common stock issued by Union Pacific Corporation (the “Corporation”) along with a small amount of cash held for liquidity purposes. The unit price (value) for shares of these funds is computed daily based on the closing price of Union Pacific common stock on the New York Stock Exchange, the number of shares of stock held by the funds, and the amount of cash held in the funds. Employer stock funds are classified as Level 2 investments.

Mutual Funds (Including the Domestic and International Stock Funds, Balanced Fund, Money Market Fund, and Bond Funds) — The shares of mutual funds are actively traded in a public exchange and the quoted prices at which these securities trade in the exchange are readily available. These quoted prices are used to determine the net asset values of mutual fund shares held by the Union Pacific Corporation Master Trust ("Master Trust") at year-end.

Common/Collective Trusts — The Target Retirement Trusts invest in Vanguard mutual funds. While the trust units are not actively traded in a public exchange, the underlying mutual fund investments held by the trusts are actively traded in a public exchange. The readily observable quoted share prices for the underlying mutual fund investments are used to determine the net asset value of the trusts at year-end.

A summary of the Master Trust assets measured at fair value on a recurring basis set forth by level within the fair value hierarchy as of December 31, 2016 and 2015, is presented in the following tables:

	December 31, 2016 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at fair value:				
Company Stock Funds	-	$ 665,022,759	-	$ 665,022,759
Total investments in the fair value hierarchy	-	$ 665,022,759	-	665,022,759
Investments measured at net asset value*				
Mutual Funds				1,917,064,681
Common/Collective Trusts				427,030,869
Total investments at net asset value				2,344,095,550
Total investments at fair value				$ 3,009,118,309

	December 31, 2015 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at fair value:				
Company Stock Funds	-	$ 536,895,525	-	$ 536,895,525
Total investments in the fair value hierarchy	-	$ 536,895,525	-	536,895,525
Investments measured at net asset value*				
Mutual Funds				1,821,980,208
Common/Collective Trusts				382,930,750
Total investments at net asset value				2,204,910,958
Total investments at fair value				$ 2,741,806,483

* In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

Transfers between Levels — The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. The Plan's policy is to recognize transfers between the levels at the actual date of the event.

The Plan evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2016 and 2015, there were no transfers in or out of Levels 1, 2, or 3.

The following tables summarize investments for which fair value is measured at net asset value as of December 31, 2016, and 2015, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	December 31, 2016 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Mutual Funds	$ 1,917,064,681	n/a	Daily	None
	427,030,869	n/a	Daily	None

Common/Collective
Trusts

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	December 31, 2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Mutual Funds	$ 1,821,980,208	n/a	Daily	None
Common/Collective Trusts	382,930,750	n/a	Daily	None

4. MASTER TRUST

At December 31, 2016 and 2015, the Plan participated in a Master Trust with other retirement plans sponsored by the Corporation or its subsidiaries. The investment assets of the Master Trust are held at VFTC. Use of the Master Trust permits the commingling of the trust assets of a number of benefit plans of the Corporation and its subsidiaries for investment and administrative purposes. Although assets are commingled in the Master Trust, VFTC maintains supporting records for the purpose of allocating the net investment income (loss) of the investment accounts to the various participating plans. The investment valuation methods for investments held by the Master Trust are discussed in Note 3.

The Plan’s interest in the Master Trust, as a percentage of net assets held by the Master Trust, as of December 31, 2016 and 2015, is presented in the following tables:

	2016	2015
Master Trust		
Investments at fair value	$ 3,009,118,309	$ 2,741,806,484
Investments at contract value	403,568,842	394,379,789
Total investments in Master Trust	$ 3,412,687,151	$ 3,136,186,273
Plan's portion of investments at fair value	$ 1,464,923,217	$ 1,336,818,743
Plan's portion of investments at contract value	147,842,129	144,558,812
Plan interest in Master Trust	$ 1,612,765,346	$ 1,481,377,555
Portion allocated to the Plan	47.26%	47.23%

Investment income (loss) for the Master Trust for the years ended December 31, 2016 and 2015, is as follows:

	2016	2015
Net appreciation (depreciation) in fair value	$ 301,759,663	$ (346,784,975)
Interest and dividends	75,681,422	83,098,601
Total investment income (loss) of Master Trust	$ 377,441,085	$ (263,686,374)
Plan's portion of Master Trust investment income (loss)	$ 174,755,948	$ (114,962,576)

While the Plan participates in the Master Trust, each participant's account is allocated earnings (or losses) consistent with the performance of the funds in which the participant's account is invested. Therefore, the investment income (loss) of the Master Trust may not be allocated evenly among the plans participating in the Master Trust.

The Master Trust provides to participants a stable value investment option (the Union Pacific Fixed Income Fund) that includes traditional Guaranteed Investment Contracts (GICs) and synthetic GICs. These contracts meet the fully benefit-responsive investment contract criteria and therefore are reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Traditional GICs are maintained in a general account by VFTC, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Synthetic GICs simulate the performance of a traditional GIC through an issuer's guarantee of a specific interest rate (a benefit-responsive wrapper contract) and a portfolio of financial instruments that are owned by the Master Trust. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 0%. Such interest rates are reviewed on a quarterly basis for resetting. The crediting rate of these contracts will track current market yields on a trailing basis.

The following table represents the disaggregation of contract value between types of investment contracts held by the Plan:

	2016	2015
Synthetic investment contracts	$ 366,191,984	$ 361,602,714
Traditional investment contracts	15,788,176	17,659,619
Money Market fund	21,380,884	15,264,117
Other	207,798	(146,661)
Total investments at contract value	$ 403,568,842	$ 394,379,789

5. FEDERAL INCOME TAX STATUS

The company submitted a determination letter application with respect to the Plan to the Internal Revenue Service (IRS) on December 30, 2015. In response to that application, the Plan obtained a tax determination letter dated June 12, 2017, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. Although the Plan has been amended since submission of the determination letter application, the Company and Plan management believe that the Plan and related Master Trust are currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. Plan management made a Voluntary Compliance Program submission to the IRS on December 30, 2015. The submission seeks to correct the failure to distribute the segregated account of an alternate payee of a deceased participant in accordance with the Plan's terms intended to comply with the required minimum distribution rules of Section 401(a)(9) of the Code and the regulations thereunder. The Plan received a compliance statement from the IRS dated June 20, 2016, with respect to this submission.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan and the related Master Trust are no longer subject to income tax examinations for years prior to 2013.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan, at any time, to terminate the Plan subject to the provisions of ERISA. Regardless of such actions, the principal and income of the Plan remain for the exclusive benefit of the Plan's participants and beneficiaries. The Company may

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direct VFTC either to distribute the Plan's assets to the participants, or to continue the Trust and distribute benefits as though the Plan had not been terminated.

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

The Master Trust investments include the Union Pacific Common Stock Fund, which is invested in the common stock of the Corporation. The Corporation is the parent holding company of the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions. At December 31, 2016 and 2015, the Plan's interest in the Master Trust's investment in the Union Pacific Common Stock Fund had a cost basis of $124,939,351 and $120,800,291, respectively. During the years ended December 31, 2016 and 2015, the Plan recorded dividend income of $6,486,295 and $6,661,972, respectively.

The Master Trust also invests in various funds managed by VFTC. VFTC is the trustee as defined by the Plan and, therefore, the related transactions qualify as party-in-interest transactions.

8. PROHIBITED TRANSACTIONS

In 2014, there was inadvertent use of Plan assets by the Company, a related party, due to administrative errors which violated IRC Section 4975(c)(1)(B). Participant withholdings of $17 were not timely deposited with the Plan trustee. Therefore, the transactions constituted an extension of credit from the Plan to the Company. The Company repaid the withholdings and lost earnings in 2014 and 2015.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2016 and 2015, is as follows:

	2016	2015
Net assets available for benefits per the financial statements	$ 1,612,765,346	$ 1,481,382,632
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	-	2,338,012
Net assets available for benefits per the Form 5500 -- at fair value	$ 1,612,765,346	$ 1,483,720,644

A reconciliation of changes in net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2016 and 2015, is as follows:

	2016	2015
Net increase (decrease) in net assets at contract value	$ 131,382,714	$ (159,481,036)
Change in adjustment from contract value to fair value for benefit-responsive investment contracts	(2,338,012)	(1,391,526)
Net increase (decrease) in net assets per Form 5500 -- at fair value	$ 129,044,702	$ (160,872,562)

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SUPPLEMENTAL SCHEDULE

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UNION PACIFIC AGREEMENT
EMPLOYEE 401(k) RETIREMENT THRIFT PLAN
Employer ID No: 94-6001323
Plan No: 015

FORM 5500, SCHEDULE H, PART IV, LINE 4(i) -- SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2016

	Column B Identity of Issue or Borrower, Lessor, or Similar Party	Column C Description of Investment Including Collateral, Rate of Interest, Maturity Date, Par, or Maturity Value	Column E Current Value
*	Vanguard Federal Money Market Fund	Registered Investment Company	$ 39,736,611
*	Vanguard Growth Index Fund Institutional Shares	Registered Investment Company	68,711,802
*	Vanguard Institutional Index Fund Plus Shares	Registered Investment Company	220,741,955
*	Vanguard International Growth Fund Admiral Shares	Registered Investment Company	89,260,017
*	Vanguard Mid-Cap Index Fund Institutional Plus Shares	Registered Investment Company	59,775,247
*	Vanguard Morgan Growth Fund Admiral Shares	Registered Investment Company	15,860,494
*	Vanguard REIT Index Fund Institutional Shares	Registered Investment Company	5,500,159
*	Vanguard Small-Cap Index Fund Institutional Plus Shares	Registered Investment Company	51,194,083
*	Vanguard Strategic Small-Cap Equity Fund	Registered Investment Company	2,931,792
*	Vanguard Total Bond Market Index Fund Inst Plus Shares	Registered Investment Company	108,614,891
*	Vanguard Total International Bond Index Fund Inst Shares	Registered Investment Company	3,322,260
*	Vanguard Total International Stock Index Fund Inst Shares	Registered Investment Company	24,698,734
*	Vanguard Total Stock Market Index Fund Inst Shares	Registered Investment Company	46,779,918
*	Vanguard Wellington Fund Admiral Shares	Registered Investment Company	185,980,775
*	Vanguard Windsor II Fund Admiral Shares	Registered Investment Company	46,027,929
*	Vanguard Target Retirement 2010 Trust I	Common / Collective Trust	4,469,577
*	Vanguard Target Retirement 2015 Trust I	Common / Collective Trust	15,014,753
*	Vanguard Target Retirement 2020 Trust I	Common / Collective Trust	36,893,887
*	Vanguard Target Retirement 2025 Trust I	Common / Collective Trust	29,124,392

*	Vanguard Target Retirement 2030 Trust I	Common / Collective Trust	26,319,476
*	Vanguard Target Retirement 2035 Trust I	Common / Collective Trust	30,766,347
*	Vanguard Target Retirement 2040 Trust I	Common / Collective Trust	24,014,984
*	Vanguard Target Retirement 2045 Trust I	Common / Collective Trust	17,122,464
*	Vanguard Target Retirement 2050 Trust I	Common / Collective Trust	7,892,896
*	Vanguard Target Retirement 2055 Trust I	Common / Collective Trust	2,535,338
*	Vanguard Target Retirement 2060 Trust I	Common / Collective Trust	860,023
*	Vanguard Target Retirement Income Trust I	Common / Collective Trust	6,236,874
*	Union Pacific Common Stock Fund (Subsidiaries)	Company Stock Fund	294,535,539
*	Union Pacific Fixed Income Fund	Unallocated Insurance Contract	147,842,129
			$ 1,612,765,346

* Represents a party in interest

See accompanying Report of Independent Registered Public Accounting Firm

EXHIBIT INDEX

Exhibit No.	Description
23	Consent of Independent Registered Public Accounting Firm

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

UNION PACIFIC AGREEMENT EMPLOYEE 401(K) RETIREMENT THRIFT PLAN

Dated: June 28, 2017 By: /s/ Sherrye Hutcherson
Sherrye Hutcherson,

Vice President, Human Resources,

Union Pacific Railroad