

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 19, 1998

Union Pacific Corporation

(Exact Name of Registrant as Specified in its Charter)

| | | |
|---|--------------------------------------|--|
| Utah | 1-6075 | 13-2626465 |
| ----- (State or Other Jurisdiction of Incorporation) | ----- (Commission File Number) | ----- (I.R.S. Employer Identification No.) |

1717 Main Street, Suite 5900, Dallas, Texas 75201

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:
(214) 743-5600

N/A

Former Name or Former Address, if Changed Since Last Report

Item 5. Other Events.

On September 14, 1998, a shareholder of Union Pacific Corporation (the "Company") filed a purported derivative action on behalf of the Company in the District Court for Tarrant County, Texas, captioned Stepak v. Lewis, Cause No. 342-175282-98 (District Court of Tarrant County, Texas), naming as defendants the Company, the Company's principal rail subsidiary, Union Pacific Railroad Company ("UPRR"), and the current and certain former directors of the Company. The derivative action alleges, among other things, that the named current and former directors breached their fiduciary duties to the Company by approving and implementing the merger of Southern Pacific Transportation Company and its affiliated railroads with UPRR without informing themselves of its impact or ensuring that adequate controls were put in place and by causing the Company to make misrepresentations about its service problems to the financial markets and regulatory authorities. The defendants believe that these claims are without merit and intend to defend them vigorously.

Item 7. Financial Statements and Exhibits.

The following document is being filed in connection with, and incorporated by reference in, the Company's Registration Statement on Form S-3 (File No. 333-18345), which was declared effective on December 30, 1996, and the Company's Registration Statement on Form S-3 (File No. 333-54009), which was declared effective on June 4, 1998.

(c) Exhibits.

| Exhibit | Description |
|---------|---|
| 1.1 | Distribution Agreement, dated October 19, 1998, relating to |

Union Pacific Corporation
Medium Term Notes, Series E.

4.4 Form of Fixed Rate Note.

4.5 Form of Floating Rate Note.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Union Pacific Corporation has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 19, 1998

UNION PACIFIC CORPORATION

By: _____
Carl W. von Bernuth
Senior Vice President,
General Counsel and
Secretary

EXHIBIT INDEX

| Exhibit | Description |
|---------|--|
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UNION PACIFIC CORPORATION

Medium-Term Notes, Series E

Distribution Agreement

October 19, 1998

Salomon Smith Barney Inc.
Credit Suisse First Boston Corporation
Merrill Lynch, Pierce, Fenner & Smith Incorporated
J.P. Morgan Securities Inc.
Chase Securities Inc.
Morgan Stanley & Co. Incorporated
Lehman Brothers Inc.

Dear Sirs:

Union Pacific Corporation, a Utah corporation (the "Company"), hereby sets forth its agreement with Salomon Smith Barney Inc., Credit Suisse First Boston Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., Chase Securities Inc., Morgan Stanley & Co. Incorporated and Lehman Brothers Inc. (each an "Agent" and collectively the "Agents"), pursuant to this Distribution Agreement (the "Agreement"), to provide for certain arrangements relating to the issue and sale from time to time by the Company of medium-term notes registered under the Registration Statement defined in Section 1(a) hereof from which the Company will receive aggregate proceeds (before commissions) of \$1,225,000,000 (including the U.S. dollar equivalent of any foreign currency notes) (any such medium-term notes being hereinafter referred to as the "Securities"), subject to reduction as a result of the sale after the date hereof of certain other Registered Securities (as defined in Section 1(a)).

The Company proposes to issue and sell from time to time varying principal amounts of the Securities. The Securities will have varying designations, interest rates and times of payment of any interest, maturities and other terms established from time to time by the Company and set forth in the prospectus referred to in Section 1(a) hereof as such may be supplemented or amended from time to time. The Securities are to be issued under, and the terms thereof established pursuant to, an Indenture dated as of December 20, 1996 (the "Indenture"), between the Company and Citibank, N.A. as trustee (the "Trustee"). Pursuant to the terms of the Indenture, Citibank, N.A., will initially act as Paying Agent and Security Registrar for the Notes.

1. Representations and Warranties of the Company. The Company represents and warrants to and agrees with each of the Agents as of the date hereof, as of each Settlement Date hereinafter referred to, and as of the times referred to in

Sections 6(a) and 6(b) hereof (in each such case, a "Representation Date"), that:

(a) the first registration statement on Form S-3 (File No. 333-18345) (the "First Registration Statement") and the second registration statement on Form S-3 (File No. 333-54009) (the "Second Registration Statement", together with the First Registration Statement, the "Registration Statement"), each including a prospectus which relates to varying principal amounts of debt securities, including the Securities (collectively, the "Registered Securities"), were filed with the Securities and Exchange Commission (the "Commission") and have become effective. The term "Effective Date" shall mean with respect to the First Registration Statement and the Second Registration Statement, and with respect to each post-effective amendment thereto, the date such registration statement or amendment became or becomes effective. "Prospectus" shall mean the form of prospectus relating to the Securities contained in the First Registration Statement and the Second Registration Statement respectively, at the Effective Date. Any reference to the Registration Statement or the Prospectus as amended or supplemented shall be deemed to refer to such documents as amended or supplemented in relation to the Securities and shall be deemed to refer to and include any documents which are filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of the Registration Statement or the Prospectus to which such amendment or supplement

relates and which are incorporated therein by reference;

(b) the Registration Statement, as of the Effective Date, conformed, and the Registration Statement and the Prospectus, as amended and supplemented as of any applicable Representation Date, conforms or will conform, in all material respects, to the requirements of the Securities Act of 1933, as amended (the "Act"), the Exchange Act, where applicable, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations (the "Rules and Regulations") of the Commission, in each case as then in effect; neither the Registration Statement on the Effective Date, nor the Registration Statement or the Prospectus as amended and supplemented as of any applicable Representation Date, did or will include any untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties contained in this paragraph do not apply to (i) statements or omissions in the Registration Statement or the Prospectus, or any such amendment or supplement, based upon written information furnished to the Company by the Trustee expressly for use therein; (ii) the Statement of Eligibility and Qualification under the Trust Indenture Act on Form T-1 of the Trustee, filed as an exhibit to the Registration Statement, except statements or omissions in such Statement of Eligibility made in reliance upon information furnished to the Trustee by or

on behalf of the Company expressly for use therein; and (iii) statements in or omissions from any such documents made in reliance upon and in conformity with information furnished in writing to the Company by any Agent expressly for use therein;

(c) the Indenture has been duly authorized, executed and delivered by the Company and has been duly qualified under the Trust Indenture Act; the Securities have been duly authorized; the Indenture constitutes, and the Securities, when executed, authenticated, issued and delivered in the manner provided in the Indenture and sold pursuant to this Agreement or any Terms Agreement (as defined in Section 2(b)), will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equitable principles; and the Securities, when so issued and delivered and sold, will conform to the description thereof contained in the Prospectus;

(d) no consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement or any Terms Agreement, except (i) such as have been obtained and made under the Act and the Trust Indenture Act and (ii) such as may be required under state securities laws in connection with the issuance or sale of the Securities by the Company; and

(e) the execution, delivery and performance of the Indenture, this Agreement and any Terms Agreement and the issuance and sale of the Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any of its properties or any agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the properties of the Company is subject, or the charter or by-laws of the Company, and the Company has full power and authority to authorize, issue and sell the Securities as contemplated by this Agreement and any Terms Agreement.

2. Employment to Solicit Purchases; Purchases by the Agents; Offering. (a) Subject to the terms and conditions and on the basis of the representations and warranties set forth herein, the Company agrees to appoint each of you as its agent to solicit offers for the purchase of all or part of the Securities and each of you, severally and not jointly, agrees, as agent of the Company, to use best efforts to solicit such offers. The Company agrees that whenever it determines to sell Securities directly to you as principal for resale to others it will, at your request, enter into a Terms Agreement relating to such sale in accordance with the provisions of Section 2(b) hereof. The Company agrees to pay each of the Agents the commissions set forth in Schedule I hereto as compensation for Securities purchased as a result of solicitations made by such Agent; provided that the Company shall not be liable to more than one Agent for commissions with respect to any sale. The Agents shall communicate to the Company, by telephone, each offer to purchase Securities other than those rejected by the Agents. The Company shall have the right, in its sole discretion, to accept offers to purchase Securities and may reject any proposed purchase of Securities as a whole or in part. Each of the Agents shall have the right, in its discretion reasonably exercised, to reject any proposed purchase of Securities, as a whole or in part, and any such rejection shall not be deemed a breach of its agreements and obligations herein. Administrative procedures with respect to the sale of Securities shall be agreed upon in writing from time to time by the Company and the Agents (the "Procedures") and shall be initially as agreed upon in writing as of the Closing Date. Each of the Agents and the Company agrees to perform its respective duties and obligations provided for herein and in the Procedures. The Procedures may only be amended by the Company and the Agents by written agreement. The Company reserves the right, in its sole discretion, to instruct the Agents to suspend solicitations of offers to purchase Securities at any time for any period of time or permanently. Upon receipt of such instruction, the Agents will forthwith suspend solicitation of offers to purchase Securities until such time as the Company has advised the Agents that such solicitation may be resumed.

(b) Each sale of Securities to each of you as principal shall be made in accordance with the terms of this Agreement and, at your request, a separate agreement which will provide for the sale of such Securities to,

and the purchase and reoffering thereof by, you. Each such separate agreement (which shall be substantially in the form of Exhibit A hereto or which may take the form of an exchange of any standard form of written telecommunication between you and the Company) is herein referred to as a "Terms Agreement". Your commitment to purchase Securities pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall specify the principal amount of Securities to be purchased by you pursuant thereto, the price to be paid to the Company for such Securities, the initial public offering price, if any, at which the Securities are proposed to be reoffered and the time and place of delivery of any payment for such Securities (each such time, as well as any delivery date under the Procedures, a "Settlement Date"). Such Terms Agreement shall also specify any requirements for an opinion of counsel, officers' certificate and letter from Deloitte & Touche pursuant to Section 5 hereof. Each purchase of Securities, unless otherwise agreed, shall be at a discount from the principal amount equal to the applicable commission set forth in Schedule I hereto.

(c) All activities of the Agents pursuant to this Agreement shall be in accordance with all applicable provisions of the Act, the Exchange Act, the Rules and Regulations, all applicable state securities or Blue Sky laws, and all applicable

provisions of the rules of the National Association of Securities Dealers, Inc.

(d) So long as this Agreement shall remain in effect with respect to any Agent, the Company shall not, without the consent of any such Agent, solicit or accept offers to purchase Securities otherwise than through one of the Agents (except as contemplated by Section 2(b) hereof); provided, however, that, subject to all the terms and conditions of this Agreement and any agreement contemplated by Section 2(b) hereof, the foregoing shall not be construed to prevent the Company from (i) selling at any time any Securities in a firm commitment underwriting pursuant to an underwriting agreement that does not provide for a continuous offering of such Securities, (ii) making any direct sales of Securities to entities which are not brokers and are purchasing only for investment purposes and not for resale or (iii) selling Securities to or through an agent, other than an Agent, where the Company has entered into an agreement with such agent with substantially identical terms, conditions and obligations as this Agreement.

3. Closing Date. The documents required to be delivered pursuant to Section 5 hereof shall be delivered at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, N.Y. 10019, on the date hereof, or at such other time as the Company and the Agents may agree upon in writing (the "Closing Date").

4. Covenants of the Company. In connection with each offering of Securities, the Company covenants and agrees with the Agents that:

(a) The Company will advise the Agents promptly of any proposal to amend or supplement the Registration Statement or the Prospectus, other than filings of documents deemed to be incorporated by reference therein (unless such filing relates primarily to the Securities), will afford the Agents a reasonable opportunity to comment on any such proposed amendment or supplement and will not effect such amendment or supplement without the consent of the Agents (which will not be unreasonably withheld); the Company will also advise the Agents of the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible the lifting of any such order.

(b) If at any time when a prospectus relating to the Securities is required to be delivered under the Act any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary, in the opinion of the Company or in the reasonable opinion of counsel for the Agents, to amend or supplement the Registration Statement or the Prospectus to comply with the Act or the Rules or

Regulations, the Company will notify the Agents promptly to suspend solicitation of purchases of the Securities; and, forthwith upon receipt of such notice, the Agents shall suspend their solicitation of purchases of the Securities and shall cease using the Prospectus which has been most recently distributed to the Agents by the Company; and, if the Company shall decide to amend or supplement the Registration statement or the Prospectus, it will promptly advise the Agents by telephone (with confirmation in writing) and will promptly prepare and, subject to the provisions of subsection (a) of this section, file with the Commission an amendment or supplement which will correct such statement or omission, or an amendment which will effect such compliance, and will advise the Agents when the Agents are free to resume such solicitation. Notwithstanding the foregoing, if, at the time of any notification to suspend solicitations, any Agent shall own any of the Securities with the intention of reselling them, or the Company has accepted an offer to purchase Securities but the related settlement has not occurred, the Company, subject to the provisions of subsection (a) of this Section, will promptly prepare and file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance.

(c) So long as a prospectus relating to the Securities is required to be delivered, or may in the future be required to be delivered, under the Act, on or prior to the date on which the Company makes an announcement to the general public concerning earnings or concerning any other event which is required to be described, or which the Company proposes to describe, in a document filed pursuant to the Exchange Act, the Company will as soon as practicable advise the Agents of such information and will thereafter post such information contained or to be contained in such announcement on the Company's website and promptly notify each agent that such information is available and, if necessary, provide such Agent assistance in accessing such information or otherwise provide such information to the Agents in writing, and, if the provisions of subsections (a) and (b) of this Section would so require, will subsequently cause the Prospectus to be amended or supplemented to reflect the information contained in such announcement. The Company also will post on the Company's website all other press releases or announcements to the general public and, if necessary, provide assistance to Agents in accessing such information or otherwise provide copies thereof to the Agents. The Company will immediately notify each Agent of any downgrading in the rating of the Securities or any other debt securities of the Company, or any proposal to downgrade the rating of the Securities or any other debt securities of the Company, by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or of any proposal or determination to place any of the Company's securities on credit watch for possible downgrade, in each case as soon as the Company learns of such downgrading, proposal or determination.

(d) The Company will furnish to Cravath, Swaine & Moore, counsel for the Agents, one copy of the signed Second Registration Statement, including all exhibits, relating to the Securities in the form it became effective and of all amendments

thereto and will furnish to each Agent copies of the Second Registration Statement, the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as such Agent may reasonably request.

(e) The Company will use its best efforts to arrange for the qualification of the Securities for sale under the laws of such jurisdictions as the Agents may designate and will continue such qualifications in effect so long as required for the distribution, and the Company will use its best efforts to arrange for the determination of their eligibility for investment by institutional investors; provided, however, that the Company shall not be required to qualify to do business in any jurisdiction where it is not now qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where it is not now subject.

(f) As soon as practicable, the Company will make generally available to its security holders and to the Agents an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(g) The Company will pay all expenses incident to the performance of its obligations under this Agreement, will reimburse the Agents for any expenses (including fees and disbursements of counsel) incurred by them in connection with qualification of the Securities for sale and determination of their eligibility for investment under the laws of such jurisdictions as the Agents may designate and will pay the expenses of printing all documents relating to the offering and of the mailing and delivering of copies thereof to the Agents and any fees charged by investment rating agencies for rating the Securities. Except as otherwise provided herein and in Section 7 hereof, the Agents will pay all their own costs and expenses, other than fees and costs of their counsel, which will be paid by the Company.

(h) Between the date of any Terms Agreement and the Settlement Date with respect to such Terms Agreement, the Company will not, without the Agents' prior consent, offer or sell, or enter into any agreement to sell (other than, in any such case, a sale through an Agent), any debt securities of the Company with terms substantially similar to the Securities which are to be sold pursuant to such Terms Agreement (other than such Securities and commercial paper sold in the ordinary course of business), except as may otherwise be provided in any such Terms Agreement.

5. Conditions. The obligations of the Agents to proceed hereunder shall be subject to the condition that all representations and warranties of the Company herein are, at and as of the date hereof, as of the Closing Date, as of each Settlement Date with respect to any applicable Terms Agreement and each Settlement Date under the Procedures, true and correct, the condition that the Company shall have performed all its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) Neither the Registration Statement nor the Prospectus, as amended or supplemented as of any Representation Date, shall contain any untrue statement of fact which is material or omit to state a fact which is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(b) On or within five days prior to the Closing Date, the Agents shall have received a letter, dated the date of delivery thereof, of Deloitte & Touche, or a successor firm, confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating in effect that:

(i) in their opinion, the financial statements and schedules examined by them and included in the Prospectus contained in the Registration Statement relating to the Securities, as amended at the date of such letter, comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) on the basis of a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that the unaudited financial statements, if any, included in such Prospectus do not comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements included in such Prospectus; and

(iii) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in such Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are contained in the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

All financial statements and schedules included in material incorporated by reference into such Prospectus shall be deemed included in such Prospectus for purposes of this subsection.

(c) No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or any Agent, shall be contemplated by the Commission.

(d) There shall not have occurred (i) any change, or any development involving a prospective change, in or affecting particularly the business or properties of the Company or its subsidiaries which, in the judgment of any Agent, materially impairs the investment quality of the Securities; (ii) any downgrading in the rating or placement under creditwatch (other than such a placement with positive implications) of the Company's debt securities by Moody's Investors Service, Inc., or Standard & Poor's Corporation; (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of any Agent, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with the completion of the sale of and payment for the Securities.

(e) The Agents shall have received the following:

(i) An opinion, dated the Closing Date, of the Senior Vice President and General Counsel or the Assistant General Counsel of the Company, or other counsel satisfactory to the Agents, to the effect that:

(A) the Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Utah, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which it is required to be so qualified, except where the failure to be so qualified would not involve a material risk to the business, operations or financial condition or results of the Company and its subsidiaries, taken as a whole;

(B) the Indenture has been duly authorized, executed and delivered by the Company and has been duly qualified under the Trust Indenture Act; the Securities have been duly authorized; the Indenture constitutes, and the Securities, when executed, authenticated, issued and delivered in the manner provided in the Indenture and sold pursuant to this Agreement or any Terms Agreement, will constitute, valid and legally binding obligations of the Company, enforceable in

accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equitable principles; and the Securities, when so issued and delivered and sold, will conform to the description thereof contained in the Prospectus;

(C) no consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement or any Terms Agreement, except (i) such as have been obtained and made under the Act and the Trust Indenture Act and (ii) such as may be required under state securities laws in connection with the issuance or sale of the Securities by the Company;

(D) the execution, delivery and performance of the Indenture, this Agreement and any Terms Agreement and the issuance and sale of the Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any of its properties or any agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the properties of the Company is subject, or the charter or by-laws of the Company, and the Company has full power and authority to authorize, issue and sell the Securities as contemplated by this Agreement and any Terms Agreement;

(E) the Registration Statement has become effective under the Act, and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act;

(F) based on the information gained in the course of such counsel's participation, in such counsel's role as Senior Vice President and General Counsel or Assistant General Counsel, in certain meetings and making of certain inquiries and investigations in connection with the preparation of the Registration Statement and the Prospectus, the Registration Statement, as of the Effective Date, the Registration Statement and the Prospectus as amended or supplemented, as of the Closing Date, and any further amendment or supplement thereto, as of its date, appeared on their face to be appropriately responsive in all material respects to the requirements of the Act, the Trust Indenture Act and the Rules and

Regulations; nothing has come to such counsel's attention in the course of performing such activities that caused such counsel to believe that the Registration Statement, as of the Effective Date, the Registration Statement or the Prospectus as amended or supplemented, as of the Closing Date, or any such amendment or supplement, as of its date, contains or contained any untrue statement of a material fact or omits or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that such counsel may state that in rendering the foregoing opinion in this clause (F), such counsel does not assume responsibility for the accuracy or completeness of statements made in the Registration Statement and the Prospectus; the descriptions in the Registration Statement and the Prospectus as amended or supplemented of statutes, legal and governmental proceedings and contracts and other documents fairly present the information required to be shown; and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus as amended or supplemented which are not described as required or of any contracts or documents of a character required to be described in the Registration Statement or the Prospectus as amended or supplemented or to be filed as exhibits to the Registration Statement which are not described and filed as required, it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement or the Prospectus as amended or supplemented; and

(G) this Agreement has been duly authorized, executed and delivered by the Company.

In rendering his opinion pursuant to this paragraph, such counsel may rely, as to all matters governed by Utah law, on the opinion of Steven A. Goodsell, Esq., or Dennis C. Farley, Esq., or other Utah counsel satisfactory to the Agents, a copy of which shall be provided concurrently with the opinion of such Senior Vice President and General Counsel or Assistant General Counsel.

(ii) Such opinion or opinions, dated the Closing Date, relating to this Agreement of Cravath, Swaine & Moore, counsel for the Agents, with respect to the incorporation of the Company, the validity of the Securities, the Indenture, the Registration Statement, the Prospectus and other related matters as they may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Cravath, Swaine & Moore may rely, as to all matters governed by Utah law, upon the opinion of Mr. Goodsell or such other counsel referred to above.

(iii) A certificate of the Chairman, the President, any Senior Vice President, any Vice President or the Treasurer and a principal financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct in all material respects on and as of such Closing Date with the same effect as if made on such Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to such Closing Date, that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted and are pending or, to their knowledge, threatened as of such date, and that, subsequent to the dates of the most recent financial statements included or incorporated by reference in the Prospectus as amended or supplemented, there has been no material adverse change in the financial position or results of operations of the Company and its subsidiaries, viewed as a whole, except as set forth or contemplated in the Prospectus as amended or supplemented or as described in such certificate.

(iv) If any Agent shall so request, as of any Settlement Date with respect to any applicable Terms Agreement, a letter, dated as of such Settlement Date, of Deloitte & Touche or a successor firm reconfirming the matters set forth in their letter delivered to the Agents pursuant to Section 5(b) hereof.

6. Additional Covenants of the Company. The Company agrees that:

(a) each acceptance by it of an offer for the purchase of Securities hereunder shall be deemed to be an affirmation that no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or, to the Company's knowledge, threatened at the time of such acceptance and that the representations and warranties of the Company contained in this Agreement are true and correct at and as of the time of such acceptance and an undertaking that no such stop order or proceeding shall have been issued or instituted or shall be pending or, to the Company's knowledge, threatened and that such representations and warranties will be true and correct at the time of delivery to the purchaser or the purchaser's agent of the Securities relating to such acceptance, as though made at and as of each such time (except that such statement and such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to each such time); provided that no representations and warranties shall be made with respect to the matters set forth in subclauses (i), (ii) and (iii) of Section 1(b) of this Agreement; and each such acceptance by the Company of an offer for the purchase of Securities shall

be deemed to constitute an additional representation, warranty and agreement by the Company that, as of the Settlement Date for the sale of such Securities, after giving effect to the issuance of such Securities, of any other Securities to be issued on or prior to such Settlement Date and of any other Registered Securities to be issued and sold by the Company on or prior to such Settlement Date, the aggregate amount of Registered Securities (including any Securities) which have been issued and sold by the Company will not exceed the amount of Registered Securities registered pursuant to the Registration Statement;

(b) so long as a Prospectus relating to the Securities is required to be delivered, or may in the future be required to be delivered, under the Act, each time that the Registration Statement or the Prospectus shall be amended or supplemented with respect to the Securities including the filing of Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and, if requested by an Agent, Current Reports on Form 8-K, but excluding (i) a Pricing Supplement (as such term is defined in the first supplement to the Prospectus relating to the Securities) or (ii) any Current Report on Form 8-K that does no more than file exhibits to the Registration Statement the Company shall furnish or cause to be furnished forthwith to the Agents a certificate in form satisfactory to the Agents to the effect that the statements contained in the certificates referred to in Section 5(e)(iii) hereof which were last furnished to the Agents are true and correct at the time of such amendment or supplement as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time);

(c) subject to paragraph (h) below, so long as a Prospectus relating to the Securities is required to be delivered, or may in the future be required to be delivered, under the Act, each time that the Registration Statement or the Prospectus shall be amended or supplemented with respect to the Securities, including the filing of any Quarterly Report on Form 10-Q, Annual Report on Form 10-K and, if requested by an Agent, Current Report on Form 8-K, but excluding (i) a Pricing Supplement or (ii) any Current Report on Form 8-K that does no more than file exhibits to the Registration Statement, the Company shall furnish or cause to be furnished forthwith to the Agents a written opinion of the Senior Vice President and General Counsel or the Assistant General Counsel of the Company, or other counsel satisfactory to the Agents, dated the date of delivery of such opinion, in form satisfactory to the Agents in their reasonable judgment, of the same tenor as the opinion referred to in Section 5(e)(i) hereof but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinion or, in lieu of such opinion, such counsel shall furnish the Agents with a letter to the effect that the Agents may rely on such last opinion to the same extent as though it were dated the

date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance);

(d) subject to paragraph (h) below, so long as a Prospectus relating to the Securities is required to be delivered, or may in the future be required to be delivered, under the Act, each time that the Registration Statement or the Prospectus shall be amended or supplemented with respect to the Securities to set forth or incorporate by reference financial information included in or derived from the Company's consolidated financial statements, the Company shall cause Deloitte & Touche or a successor firm forthwith to furnish the Agents with a letter, dated the date of filing of such amendment or supplement with the Commission, in form satisfactory to the Agents in their reasonable judgment, of the same tenor as the letter referred to in Section 5(b) hereof but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to the date of such letter with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company, to the extent such financial statements and other information are available as of a date not more than five business days prior to the date of such letter; provided that if the Registration Statement or the Prospectus are amended or supplemented solely to include or incorporate by reference financial information as of and for a fiscal quarter, Deloitte & Touche may limit the scope of such letter, which shall be satisfactory in form to the Agents in their reasonable judgment, to the unaudited financial statements, notes thereto and the management's discussion and analysis relating thereto, in each case included in such amendment or supplement unless any other information included or incorporated by reference therein of an accounting, financial or statistical nature is of such a nature that, in the reasonable judgment of the Agents, such letter should cover such other information;

(e) the obligations of the purchasers or the Agents, as the case may be, to purchase and pay for any Securities hereunder will be subject to the condition that during the period of time after the Company has accepted an offer to purchase Securities pursuant to the provisions of the Procedures and prior to the time the purchasers or the Agents, as the case may be, have made payment for the Securities pursuant to the provisions of the Procedures there shall not have occurred (i) any change, or any development involving a prospective change, in or affecting particularly the business or properties of the Company or its subsidiaries which, in the judgment of any Agent, materially impairs the investment quality of the Securities; (ii) any downgrading in the rating or placement under creditwatch (other than such a placement with positive implications) of the Company's debt securities by Moody's Investors Service, Inc., or Standard &

Poor's Corporation; (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of any Agent, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with the completion of the sale of and payment for the Securities; or (vi) any material adverse change in the financial markets in the United States.

(f) on each Settlement Date for the sale of Securities, the Company shall, if requested by an Agent that solicited or received the offer to purchase any Securities being delivered on such Settlement Date, furnish such Agent with a written opinion of counsel of the Company, dated the date of delivery thereof, in form satisfactory to such Agent, to the effect set forth in clauses (A) and (B) of Section 5(e)(i) hereof, but modified, as necessary, to relate to the Prospectus as amended or supplemented at such Settlement Date and except that such opinion shall state that the Securities being sold by the Company on such Settlement Date, when delivered against payment therefor as provided in the Indenture and this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject only to the exceptions as to enforcement set forth in clause (B) of Section 5(e)(i) hereof, and conform to the description thereof contained in the Prospectus as amended or supplemented at such Settlement Date; and

(g) the Company agrees that any obligation of a person who has agreed to purchase Securities to make payment for and take delivery of such Securities shall be subject to the satisfaction, on the related Settlement Date, of each of the conditions set forth in Sections 5(a) and (c), it being understood that under no circumstance shall any Agent have any duty or obligation to exercise the judgment permitted under Section 5(a) on behalf of any such person.

(h) the Company shall be entitled to suspend its obligations under the foregoing paragraphs (b), (c) and (d) if (i) the Agents have suspended solicitation of purchases of the Securities in their capacity as Agents pursuant to a request from the Company, and (ii) no Agent shall hold any Securities as principal or have purchased and not resold Securities pursuant to a Terms Agreement; the Company shall resume compliance with such paragraphs at such time as the Company shall determine and notify the Agents that the solicitation of purchases of the Securities should be resumed

or shall subsequently enter into a new Terms Agreement with an Agent, and compliance with such paragraphs with respect to the immediately preceding fiscal quarter or year end shall be a condition to the Agents' obligations.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Agent against any losses, claims, damages or liabilities, joint or several, to which such Agent may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Agent for any legal or other expenses reasonably incurred by such Agent in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Agent specifically for use therein.

(b) Each Agent will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Agent specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified

party other wise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Agents on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Agents on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Agents on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Agents. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Agents and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Agent shall be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased through it and distributed to the public were offered to the public exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act)

shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Agents' obligations in this subsection (d) to contribute are several in proportion to the respective aggregate principal amounts of Securities sold through each and are not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Agent within the meaning of the Act; and the obligations of the Agents under this Section shall be in addition to any liability which the respective Agents may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. Default by Company. If the Company shall default in its obligation to deliver Securities to a purchaser whose offer it has accepted, the Company (i) shall hold the Agents harmless against any loss, claim or damage arising from or as a result of such default by the Company, and (ii) in particular, shall pay to the Agents any commission to which they would be entitled in connection with such sale.

9. Status of Each Agent. In soliciting offers to purchase the Securities from the Company pursuant to this Agreement and in assuming its other obligations hereunder (other than offers to purchase pursuant to Section 2(b)), each Agent is acting individually and not jointly and is acting solely as agent for the Company and not as principal. Each Agent will make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Securities from the Company has been solicited by such Agent and accepted by the Company, but such Agent shall have no liability to the Company in the event any such purchase is not consummated for any reason.

10. Survival of Representations. The respective indemnities, agreements, representations, warranties and other statements of the Agents and the Company set forth in this Agreement or made by them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of the Agents or the Company or any of its officers or directors or any controlling person, and shall survive each delivery of and payment for any of the Securities.

11. Termination. This Agreement may be terminated at any time by the Company as to any or all Agents or any or all of the Securities (other than any Securities that are subject to a Terms Agreement) or by any Agent as to itself upon the giving of written notice of such termination to the other parties hereto. In the event of any such termination, no party shall have any liability to the other parties hereto, except as provided in the third sentence of Section 2(a), Section 4(g), Section 7, Section 8, Section 9 and Section 10 and except that, if at the

time of termination (A) the Agents shall own any of the Securities with the intention of reselling them or (B) an offer to purchase any of the Securities has been accepted by the Company but the time of delivery to the purchaser or the purchaser's agent of the Security or Securities relating thereto has not occurred, the covenants set forth in Sections 4 and 6 hereof shall remain in effect until such Securities are so resold or delivered, as the case may be.

12. Notices. Except as otherwise specifically provided herein or in the Procedures, all statements, requests, notices and advices hereunder shall be in writing and shall be sufficient in all respects if delivered or sent by telecopier or registered mail, if to the Agents, at their respective addresses as set forth in the "Suspension of Solicitation; Amendment or Supplement" section of the Medium-Term Note Administrative Procedures for Fixed Rate and Floating Rate Notes, dated October 16, 1998, and if sent to the Company, at 1416 Dodge Street, MC CA 280, Omaha, NE 68179, telecopy number 402-271-6408, Attention of Treasurer.

13. Miscellaneous. This Agreement may be executed in two or more counterparts and it is not necessary that signatures of all parties appear on the same counterpart, but such counterparts together shall constitute but one and the same agreement. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors, and no other person will have any right or obligation hereunder. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

14. Time. Time shall be of the essence in this Agreement.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

UNION PACIFIC CORPORATION,

by

Title:

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

SALOMON SMITH BARNEY INC.,

by

Title:

CHASE SECURITIES INC.,

by

Title:

CREDIT SUISSE FIRST BOSTON CORPORATION,

by

Title:

J.P. MORGAN SECURITIES INC.,

by

Title:

LEHMAN BROTHERS INC.,

by

Title:

MORGAN STANLEY & CO. INCORPORATED,

by

Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

by

Title:

Union Pacific Corporation

Debt Securities

TERMS AGREEMENT

_____, 199_

Union Pacific Corporation
1416 Dodge Street, MC CA 280
Omaha, NE 68179

Attention: Treasurer

Re: Distribution Agreement dated as of
October 19, 1998 (the "Distribution Agreement")

The undersigned agrees to purchase the following Debt Securities
(capitalized terms used and not defined herein have the meanings given such
terms in the Distribution Agreement):

Principal Amount: \$ _____

Original Issue Date: _____

Settlement Date and Time: _____

Maturity Date: _____

Purchase Price: _____% of Principal Amount, plus
accrued interest, if any, from Settlement Date

Redemption Date (Dates):

Redemption Price:

Repayment Date:

Repayment Price:

[(For Fixed Rate Notes)

Interest Rate: _____]

[(For Floating Rate Notes)

Initial Interest Rate: _____]

Interest Rate Basis (Commercial Paper, LIBOR, CMT, Federal Funds,
Prime, CD, or Treasury): _____

Index Maturity (30, 60, 90 days, 6 months, 1 year,
other): _____

Interest Payment Period (monthly, quarterly, semiannually,
annually): _____

Spread: _____ points (+/-)

Spread Multiplier: _____%

Maximum Interest Rate: _____%

Minimum Interest Rate: _____%

Interest Reset Dates: _____

Interest Payment Dates: _____]

[The certificate referred to in Section 5(e)-(iii) of the Distribution Agreement, the opinion referred to in Section 5(e)(i) of the Distribution Agreement and the accountants' letter referred to in Section 5(e)(iv) of the Distribution Agreement will be required.]

SALOMON SMITH BARNEY INC.,

by _____
Title:

CHASE SECURITIES INC.,

by _____
Title:

CREDIT SUISSE FIRST BOSTON CORPORATION,

by _____
Title:

J.P. MORGAN SECURITIES INC.,

by _____
Title:

LEHMAN BROTHERS INC.,

by _____
Title:

MORGAN STANLEY & CO. INCORPORATED,

by _____
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

by _____
Title:

Accepted:

UNION PACIFIC CORPORATION

by _____
Title:

SCHEDULE I

Commissions

With respect to the Securities sold by each Agent, such Agent will receive in full compensation for its services pursuant to the Distribution Agreement dated as of October 19, 1998 (the "Agreement"), a fee, payable by deduction from amounts otherwise payable by an Agent for Securities sold by such Agent, equal to the following percentage of the principal amount of the Securities sold:

| Maturity ----- | Commission ----- |
|--------------------------------|---------------------|
| 9 months to less than 1 year | .125% |
| 1 year to less than 18 months | .150% |
| 18 months to less than 2 years | .200% |
| 2 years to less than 3 years | .250% |
| 3 years to less than 4 years | .350% |
| 4 years to less than 5 years | .450% |
| 5 years to less than 6 years | .500% |
| 6 years to less than 7 years | .550% |
| 7 years to less than 10 years | .600% |
| 10 years to less than 15 years | .625% |
| 15 years to less than 20 years | .700% |
| 20 years to 30 years | .750% |
| Greater than 30 years | to be negotiated |

UNION PACIFIC CORPORATION
 MEDIUM-TERM NOTE, SERIES E
 (Certificated Note)
 (Fixed Rate Note)

Registered

 No.

Registered

 Cusip

If applicable, the "Total Amount of OID", "Yield to Maturity" and "Initial Accrual Period OID" (computed under the approximate method) below will be completed solely for the purposes of applying the United States Federal income tax original issue discount ("OID") rules.

Issue Date: Specified Currency [] U.S. Dollars [] Other:
 Principal Amount: Authorized Denominations (Only applicable if Specified Currency is other than U.S. Dollars):
 Issue Price: Total Amount of OID:
 Maturity Date: Yield to Maturity:
 Interest Rate: Initial Accrual Period OID:
 Interest Payment Dates:

| | |
|--------------------------------|---------------------------------|
| Redemption Date(s) ----- | Redemption Price(s) ----- |
| Repayment Date(s) ----- | Repayment Price(s) ----- |

This Note is a registered Note of UNION PACIFIC CORPORATION, a Utah corporation (the "Company"). This Note is one of a series of Notes (as defined on the reverse hereof) issued under the Indenture referred to on the reverse hereof designated as Medium-Term Notes, Series E. Subject to the provisions hereof, the Company, for value received, hereby promises to pay to _____, or registered assigns, the principal sum of

_____ on the Maturity Date shown above and to pay premium, if any, and interest, if any, thereon, as described on the reverse hereof.

The principal of (and premium, if any) and interest, if any, on this Note are payable by the Company in such coin or currency specified on the face hereof as at the time of payment shall be legal tender for the payment of public and private debts.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, UNION PACIFIC CORPORATION has caused this Note to be duly executed under its corporate seal.

UNION PACIFIC CORPORATION,

By: _____

CERTIFICATE OF AUTHENTICATION [Seal]

This is one of the Notes

issued under the within-mentioned Indenture.

Dated: -----

CITIBANK, N.A.,
as Trustee,

By: -----
Authorized Signatory

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL NOTES REPRESENTED HEREBY, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

| | | |
|------------|----------------------------|------------|
| Registered | NION PACIFIC CORPORATION | Registered |
| No. | MEDIUM-TERM NOTE, SERIES E | Cusip |
| | (Global Note) | |
| | (Fixed Rate Note) | |

If applicable, the "Total Amount of OID", "Yield to Maturity" and "Initial Accrual Period OID" (computed under the approximate method) below will be completed solely for the purposes of applying the United States Federal income tax original issue discount ("OID") rules.

| | | | | | |
|-------------------------|--|--------------------------|--------------|--------------------------|--------|
| Issue Date: | Specified Currency | <input type="checkbox"/> | U.S. Dollars | <input type="checkbox"/> | Other: |
| Principal Amount: | Authorized Denominations (Only applicable if Specified Currency is other than U.S. Dollars): | | | | |
| Issue Price: | Total Amount of OID: | | | | |
| | Yield to Maturity: | | | | |
| Maturity Date: | | | | | |
| Interest Rate: | Initial Accrual Period OID: | | | | |
| Interest Payment Dates: | | | | | |
| Redemption | Redemption | | | | |
| Date(s) | Price(s) | | | | |
| - - - - - | - - - - - | | | | |
| Repayment | Repayment | | | | |
| Date(s) | Price(s) | | | | |
| - - - - - | - - - - - | | | | |

This Note is a registered Note of UNION PACIFIC CORPORATION, a Utah corporation (the "Company"). This Note is one of a series of Notes (as defined on the reverse hereof) issued under the Indenture referred to on the reverse hereof designated as Medium-Term Notes, Series E. Subject to the provisions hereof, the Company, for value received, hereby promises to pay to _____, or registered assigns, the principal sum of

on the Maturity Date shown above and to pay premium, if any, and interest, if any, thereon, as described on the reverse hereof.

The principal of (and premium, if any) and interest, if any, on this Note are payable by the Company in such coin or currency specified on the face hereof as at the time of payment shall be legal tender for the payment of public and private debts.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL

PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, UNION PACIFIC CORPORATION has caused this Note to be duly executed under its corporate seal.

UNION PACIFIC CORPORATION,

By: -----

CERTIFICATE OF AUTHENTICATION [Seal]

This is one of the Notes issued under the within-mentioned Indenture.

Dated: -----

CITIBANK, N.A.,
as Trustee,

By: -----
Authorized Signatory

[REVERSE OF MEDIUM-TERM NOTE, SERIES E]
Union Pacific Corporation
Medium-Term Note, Series E

This permanent global Note is one of a duly authorized issue of securities (herein called the "Notes") of Union Pacific Corporation, a Utah corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), unlimited in aggregate principal amount, issued and to be issued in one or more series under an Indenture, dated as of December 20, 1996, between the Company and Citibank, N.A., as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture (as hereinafter defined)), to which indenture and all indentures supplemental thereto (the "Indenture") reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee and the holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. This permanent global Note is one of the series of Notes designated on the face hereof, of an aggregate initial principal amount equal to the Principal Amount shown on the face hereof (the "Principal Amount"), with the Interest Payment Dates, the Issue Date, and the Maturity Date specified on the face hereof and bearing interest on said Principal Amount at the interest rate specified on the face hereof. The Notes of this series may be issued from time to time with varying maturities, interest rates and other terms.

The Company, for value received, hereby promises to pay to Cede & Co., as nominee for the Depository (as hereinafter defined), or registered assigns, the Principal Amount hereof on the Maturity Date shown on the face hereof, and to pay interest thereon, from and including the Issue Date shown on the face hereof or from and including the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for and at Maturity unless the Issue Date is between a Regular Record Date (as hereinafter defined) and an Interest Payment Date, in which case, the first payment of interest hereon shall be made on the second Interest Payment Date following the Issue Date, at the rate per annum set forth on the face hereof, until the principal hereof is paid or duly made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this permanent global Note (or one or more predecessor Notes) is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date. Notwithstanding the foregoing, interest payable on this permanent global Note at Maturity will be payable to the Person to whom principal shall be payable.

Unless otherwise indicated on the face hereof, the "Interest Payment Dates" for this permanent global Note will be May 1 and November 1 of each year and at Maturity, and the "Regular Record Dates" for this permanent global Note will be the April 15 or October 15, as the case may be, next preceding the May 1 and November 1 Interest Payment Dates. Unless otherwise indicated on the face hereof, interest payments for this permanent global Note shall be the amount of interest accrued to but excluding the relevant Interest Payment Date. Interest on this permanent global Note shall be computed on the basis of a 360-day year of twelve 30-day months. If any Interest Payment Date or the Maturity of this permanent global Note falls on a day that is not a Market Day, the required payment of principal, premium, if any, or interest will be made on the next succeeding Market Day with the same force and effect as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date or the Maturity, as the case may be, to the date of such payment on the next succeeding Market Day.

This permanent global Note is exchangeable for definitive registered Notes of this series of like tenor and of an equal aggregate principal amount only if (x) The Depository Trust Company, or any successor depository with respect to the Notes of this series (the "Depository"), notifies the Company that it is unwilling or unable to continue as Depository for this permanent global Note or if at any time the Depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and a successor

depository is not appointed by the Company within 90 days, (y) the Company in its sole discretion determines that this permanent global Note shall be exchangeable for definitive registered Notes and executes and delivers to the Trustee an order of the Company providing that this permanent global Note shall be so exchangeable or (z) there shall have happened and be continuing an Event of Default or any event which, after notice or lapse of time, or both, would become an Event of Default with respect to the Notes of the series of which this permanent global Note is a part. If this permanent global Note is exchangeable pursuant to the preceding sentence, this Note shall in the case of clause (x) above be exchanged in whole for definitive registered Notes of this series, and in the case of clauses (y) and (z) above, be exchangeable for definitive registered Notes of this series, provided that the definitive registered Notes so issued in exchange for this Note shall be in authorized denominations and be of like tenor and of an equal aggregate principal amount as the portion of the Note to be exchanged, and provided further that, in the case of clauses (y) and (z) above, definitive registered Notes of this series will be issued in exchange for this permanent global Note, or any portion hereof, only if such definitive registered Notes were requested by written notice to the Security Registrar by or on behalf of a Person who is a beneficial owner of an interest herein given through the holder hereof. Any definitive registered Notes of this series issued in exchange for this permanent global Note shall be registered in the name or names of such Person or Persons as the holder hereof shall instruct the Security Registrar. Except as provided above, owners of beneficial interests in this permanent global Note will not be entitled to receive physical delivery of Notes in definitive form and will not be considered the holders thereof for any purpose under the Indenture.

Any exchange of this permanent global Note for one or more definitive registered Notes of this series will be made at the Corporate Trust Office of the Security Registrar in New York, New York. Upon exchange of any portion of this permanent global Note for one or more definitive registered Notes of this series, the Trustee shall endorse Exhibit A of this Note to reflect the reduction of its Principal Amount by an amount equal to the aggregate principal amount of the definitive registered Notes of this series so issued in exchange, whereupon the Principal Amount hereof shall be reduced for all purposes by the amount so exchanged and noted. Except as otherwise provided herein or in the Indenture, until exchanged in full for one or more definitive registered Notes of this series, this permanent global Note shall in all respects be subject to and entitled to the same benefits and conditions under the Indenture as a duly authenticated and delivered definitive registered Note of this series.

Except as provided in the next paragraph, no beneficial owner of any portion of this permanent global Note shall be entitled to receive payment of accrued interest hereon until this permanent global Note has been exchanged for one or more definitive registered Notes of this series, as provided herein and in the Indenture.

The principal and any interest in respect of any portion of this permanent global Note payable in respect of an Interest Payment Date or at the Stated Maturity thereof, in each case occurring prior to the exchange of such portion for a definitive registered Note or Notes of this series, will be paid, as provided herein, to the holder hereof which will undertake in such circumstances to credit any such principal and interest received by it in respect of this permanent global Note to the respective accounts of the Persons who are the beneficial owners of such interests on such Interest Payment Date or at Stated Maturity. If a definitive registered Note or registered Notes of this series are issued in exchange for this permanent global Note after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, then interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the holder hereof, and the holder hereof will undertake in such circumstances to credit such interest to the account or accounts of the Persons who were the beneficial owners of any portion of this permanent global Note on such Regular Record Date or Special Record Date, as the case may be.

Payment of the principal of (and premium, if any) and any such interest on this permanent global Note will be made at the Corporate Trust Office of the Trustee in the Borough of Manhattan, City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the addresses of the Persons entitled thereto as such addresses shall appear in the Security Register or by transfer to an account maintained by the payee with, a bank in The City of New York (so long as the applicable Paying Agent has received transfer instructions in writing).

The principal of and any premium and interest on any Notes denominated on the face hereof in a Specified Currency other than U.S. dollars ("Foreign Currency Notes") payable by the Company in U.S. dollars, except as provided below. Unless otherwise specified on the face hereof, the Exchange Rate Agent (as defined below) will obtain the quotations necessary to convert the amount of all payments of principal of and any premium and interest on Foreign Currency Notes from the Specified Currency to U.S. dollars. Unless otherwise specified on the face hereof, however, the holder of a Foreign Currency Note may elect to receive such payments in the Specified Currency as described below.

Any U.S. dollar amount to be received by a holder of a Foreign Currency Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Market Day preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer of the Specified Currency for U.S. dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available, payments will be made in the Specified Currency. All currency exchange costs will be borne by the holder of the Foreign Currency Note by deductions from such payments. As used herein, "Exchange Rate Agent" means the agent appointed by the Company to obtain the quotations necessary to convert the amount of principal and any premium and interest payments on Foreign Currency Notes from the Specified Currency into U.S. dollars. Unless otherwise indicated on the face hereof, the Exchange Rate Agent will be Citibank, N.A.

Unless otherwise specified on the face hereof, a holder of a Foreign Currency Note may elect to receive payment of the principal of and any premium and interest on such Note in the Specified Currency by filing a written request, signature guaranteed, for such payment at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York, on or prior to the Regular Record Date or at least 16 days prior to Maturity, as the case may be. A holder of a Foreign Currency Note may make such election with respect to all principal and any premium and interest payments and need not file a separate election for each payment. Such election will remain in effect until changed by written notice to the Paying Agent, but written notice of any such change must be received by the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be. Any such election or change thereof will be deemed to be made for all Foreign Currency Notes denominated in such Specified Currency which are registered in the name of such holder, unless such holder specifies in such written request the particular Foreign Currency Notes with regard to which such election or change thereof shall not apply.

Except as described below, principal of and any premium and interest on Foreign Currency Notes paid in U.S. dollars will be paid in the manner specified above for principal of and any premium and interest on Notes denominated in U.S. dollars, and principal of and any premium and interest on Foreign Currency Notes paid in a Specified Currency will be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. All checks payable in a Specified Currency will be drawn on a bank office located outside the United States. In addition, payments in U.S. dollars of principal of and any premium and interest on a Foreign Currency Note in which the equivalent of U.S. \$10,000,000 or more has been invested may, at the request of the holder thereof, be made in immediately available funds at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York, provided

that, in the case of payments of principal and any premium, such Note is presented to the Paying Agent in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Also, payments in a Specified Currency of principal of and any premium and interest on a Foreign Currency Note in which the equivalent of U.S. \$10,000,000 or more has been invested may, at the request of the holder thereof, be made by wire transfer to an account with a bank located in the country of the Specified Currency, as shall have been designated on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be, provided that, in the case of payments of principal and any premium, the Note is presented at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Any request of a holder in accordance with this paragraph must be transmitted to the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be. Such request may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. Such holder may make such election for all principal and any premium and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Paying Agent, but written notice of any such revocation must be received by the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be.

Unless otherwise specified on the face hereof, the owner of a beneficial interest in this permanent global Note or (if such Note is denominated in a Specified Currency on the face hereof) that elects to receive payments of principal, premium or interest in such Specified Currency must notify the participant in the Depository's book-entry system through which its interest is held on or prior to the applicable Record Date, in the case of a payment of interest, and at least 16 days prior to Maturity, in the case of a payment of principal or premium, of such beneficial owner's election to receive such payment in such Specified Currency. Such participant must notify the Depository of such election on or prior to the third Market Day after such Record Date or at least 12 days prior to Maturity, as the case may be, and the Depository will notify the Paying Agent of such election on or prior to the fifth Market Day after such Record Date or at least 10 days prior to the Maturity Date, as the case may be. If complete instructions are received by such participant from the beneficial owner and forwarded by the participant to the Depository, and by the Depository to the Paying Agent, on or prior to such dates, then such beneficial owner will receive payments in the applicable Specified Currency.

The Indenture contains certain provisions for defeasance which shall apply to this permanent global Note.

If so provided on the face hereof, this permanent global Note may be redeemed by the Company on the Redemption Date(s) and at the applicable Redemption Price(s) so indicated on the face hereof. If no date on which this permanent global Note is redeemable is set forth on the face hereof, this permanent global Note may not be redeemed prior to Maturity. On the Redemption Date(s), if any, on which this permanent global Note may be redeemed, this permanent global Note may be redeemed in whole or in part in increments of \$1,000 or such other minimum denomination provided on the face hereof (provided that any remaining principal amount of this permanent global Note shall be at least \$1,000 or such minimum denomination) at the option of the Company at the applicable Redemption Price, together with interest thereon payable to the applicable Redemption Date.

Notice of redemption will be given by mail to holders of Notes, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture.

In the event of redemption of this permanent global Note in part only, a new permanent global Note or Notes of this series and of like tenor for the unredeemed portion of the Principal Amount hereof will be delivered to the Depository upon the cancelation hereof.

Unless otherwise indicated on the face hereof, this permanent global Note will not have a sinking fund.

Unless otherwise indicated on the face hereof, this permanent global Note will not be subject to redemption at the option of the holder.

If so provided on the face hereof, the Company may be required to repurchase the Notes of this series, in whole or in part, on the Repayment Date(s) and at the applicable Repayment Price(s) so indicated on the face

hereof, plus accrued interest, if any, to the applicable Repayment Date. On or before the applicable Repayment Date, the Company shall deposit with the Trustee money sufficient to pay the applicable Repayment Price and any interest accrued on the such Notes to be tendered for repayment. On and after such Repayment Date, interest will cease to accrue on such Notes or any portion thereof tendered for repayment.

The repayment option may be exercised by the holder of this permanent global Note for less than the entire principal amount of this permanent global Note, but in that event, the principal amount of this permanent global Note remaining outstanding after repayment must be in an authorized denomination and the denomination of the new Note or Notes to be issued to the holder for the portion of the principal amount of such Note surrendered that is not be repaid must be specified. In the event of repurchase of this permanent global Note in part only, a new Note or Notes of this series and of like tenor for the unpurchased portion hereof will be issued in the name of the holder hereof upon the cancelation hereof.

In order for this Note to be repaid, the Paying Agent must receive at least 30 days but not more than 45 days prior to the repayment date (i) this Note with the form entitled "Option to Elect Repayment" on the reverse of this Note duly completed or (ii) a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange, the National Association of Securities Dealers, Inc., the Depository or a commercial bank or trust company in the United States setting forth the name of the holder of this Note, the principal amount of this Note, the principal amount of this Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby, and a guarantee that this Note to be repaid, together with the duly completed form entitled "Option to Elect Repayment" on the reverse of this Note, will be received by the Paying Agent not later than the fifth Market Day after the date of such telegram, telex, facsimile transmission or letter; provided, however, such telegram, telex, facsimile transmission or letter shall only be effective if this Note and duly completed form are received by the Paying Agent by such fifth Market Day.

If an Event of Default (or event which, after giving of notice or passage of time would constitute an Event of Default) with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Note of this series may institute any action under the Indenture unless (a) such holder shall have given the Trustee written notice of a continuing Event of Default with respect to such series, (b) the holders of not less than 25% in aggregate principal amount of the outstanding Notes of this series shall have requested the Trustee to institute proceedings in respect of such Event of Default, (c) such holder or holders shall have offered the Trustee such reasonable indemnity as the Trustee may require, (d) the Trustee shall have failed to institute an action for 60 days thereafter and (e) no inconsistent direction shall have been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of Notes of this series.

No reference herein to the Indenture and no provision of this permanent global Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and any interest on this permanent global Note at the times, places and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of a Note is registerable in the Security Register, upon surrender of such Note for registration of transfer at the office of the Security Registrar for this series or at the offices of any transfer agent designated by the Company for such purpose. Every Note presented for registration of transfer shall (if so required by the Company or the Trustee) be duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee and the Security Registrar duly executed by the holder or its attorney duly authorized in writing, and one or more new Notes of like tenor and terms in registered form, of authorized denominations and for the same aggregate principal amount, will be issued in the name or names of the designated transferee or transferees and delivered at the office of the Security Registrar in The City of New York, or mailed, at the request, risk and expense of the transferee or transferees, to the address or addresses shown in the Security Register for such transferee or transferees.

Any transfers of Notes or interests in Notes in different denominations shall in each case be for Notes or interests of like tenor and terms and equal aggregate principal amounts.

Prior to due presentment of a Note for registration of transfer, the Company, the Trustee, the Security Registrar and any agent of the Company, the Trustee or the Security Registrar may treat the Person in whose name a Note is registered as the owner hereof for all purposes, whether or not such Note is overdue, and neither the Company, the Trustee, the Security Registrar nor any such agent shall be affected by notice to the contrary.

The Company shall not be required (i) to issue, transfer or exchange Notes during a period beginning at the opening of business of 15 days before the day of the mailing of the relevant notice of redemption of Notes selected for redemption under Section 1103 of the Indenture and ending at the close of business on the date of such mailing or (ii) to transfer or exchange any Note so selected for redemption in whole or in part.

No service charge shall be made for any registration of transfer of any Note, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The authorized denominations of Notes denominated in U.S. Dollars will be U.S. \$1,000 and any larger amount that is an integral multiple of U.S. \$1,000. The authorized denominations of Notes denominated in a currency other than U.S. Dollars will be as set forth on the face hereof.

The Notes of this series (including this permanent global Note) shall be dated the date of their authentication.

All terms used and not otherwise defined in this permanent global Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and the Notes shall be construed in accordance with and governed by the laws of the State of New York.

NOTE REGISTRAR AND PAYING AGENT

NOTE REGISTRAR AND PAYING AGENT
(subject to change)

Citibank, N.A.
111 Wall Street
5th Floor
Corporate Trust Services
New York, New York 10043

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay the within Note (or portion hereof specified below) pursuant to its terms at a price equal to the applicable Repayment Price thereof together with interest to the Repayment Date specified below, to the undersigned

(Please print or typewrite name and address of the undersigned)

If less than the entire principal amount of the within Note is to be repaid, specify the portion thereof which the holder elects to have repaid _____; and specify the denomination or denominations (which shall be in authorized denominations) of the Notes to be issued to the holder for the portion of the within Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid):

Repayment Date: _____

Date: _____

(Signature)

Exhibits of Exchanges

UNION PACIFIC CORPORATION
MEDIUM-TERM NOTE, SERIES E

| | | |
|---|--|---|
| Registered - - - - - No. - - - - - | (Certificated Note) (Floating Rate) | Registered - - - - - Cusip - - - - - |
|---|--|---|

If applicable, the "Total Amount of OID", "Yield to Maturity" and "Initial Accrual Period OID" (computed under the approximate method) below will be completed solely for the purposes of applying the United States Federal income tax original issue discount ("OID") rules.

| | | |
|-----------------------------|--|----------------------|
| Original Issue Date: | Spread (plus or minus): | |
| Principal Amount: | Spread Multiplier: | |
| Issue Price: | Maximum Interest Rate: | |
| Maturity Date: | Minimum Interest Rate: | |
| Interest Payment Period: | Specified Currency: / / U.S. Dollars / / Other | |
| Interest Payment Dates: | Authorized Denominations (Only applicable if Specified Currency is other than U.S. Dollars): | |
| Redemption Date(s) ----- | Redemption Price(s) ----- | Total Amount of OID: |
| Repayment Date(s) ----- | Repayment Price(s) ----- | Yield to Maturity: |
| Initial Interest Rate: | Initial Accrual Period OID: | |
| Interest Rate Index: | Interest Reset Dates: | |
| Index Maturity: | Calculation Agent: | |

This Note is a registered Note of UNION PACIFIC CORPORATION, a Utah corporation (the "Company"). This Note is one of a series of Notes (as defined on the reverse hereof) issued under the Indenture referred to on the reverse hereof designated as Medium-Term Notes, Series E. Subject to the provisions hereof, the Company, for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ on the Maturity Date shown above and to pay premium, if any, and interest, if any, thereon, as described on the reverse hereof.

The principal of (and premium, if any) and interest, if any, on this Note are payable by the Company in such coin or currency specified on the face hereof as at the time of payment shall be legal tender for the payment of public and private debts.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, UNION PACIFIC CORPORATION has caused this Note to be duly executed under its corporate seal.

UNION PACIFIC CORPORATION,
By: _____

CERTIFICATE OF AUTHENTICATION
[Seal]

This is one of the Notes issued under the within-mentioned Indenture.

Dated: _____

CITIBANK, N.A.,
as Trustee

By: _____
Authorized Signatory

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL NOTES REPRESENTED HEREBY, THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNION PACIFIC CORPORATION
MEDIUM-TERM NOTE, SERIES E
(Global Note)
(Floating Rate Note)

| | | |
|------------|--|------------|
| Registered | | Registered |
| - - - - - | | - - - - - |
| No. | | Cusip |
| - - - - | | - - - - |

If applicable, the "Total Amount of OID", "Yield to Maturity" and "Initial Accrual Period OID" (computed under the approximate method) below will be completed solely for the purposes of applying the United States Federal income tax original issue discount ("OID") rules.

| | | |
|--------------------------|---|--|
| Issue Date: | Spread (plus or minus): | |
| Principal Amount: | | |
| Issue Price: | Spread Multiplier: | |
| Maturity Date: | Maximum Interest Rate: | |
| Interest Payment Period: | Minimum Interest Rate: | |
| Interest Payment Dates: | Specified Currency: / / U.S. Dollars / / Other: | |
| Redemption Date(s) | Redemption Price(s) | Authorized Denominations (Only applicable if Specified Currency is other than U.S. Dollars): |
| Repayment Date(s) | Repayment Price(s) | Total Amount of OID: |
| | | Yield to Maturity: |
| Initial Interest Rate: | | Initial Accrual Period OID: |
| Interest Rate Index: | | Interest Reset Dates: |
| Index Maturity: | | Calculation Agent: |

This Note is a registered Note of UNION PACIFIC CORPORATION, a Utah corporation (the "Company"). This Note is one of a series of Notes (as defined on the reverse hereof) issued under the Indenture referred to on the reverse hereof designated as Medium-Term Notes, Series E. Subject to the provisions hereof, the Company, for value received, hereby promises to pay to _____, or registered assigns, the principal sum of on the Maturity Date shown above and to pay premium, if any, and interest, if any, thereon, as described on the reverse hereof.

The principal of (and premium, if any) and interest, if any, on this Note are payable by the Company in such coin or currency specified on the face hereof as at the time of payment shall be legal tender for the payment of public and private debts.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, UNION PACIFIC CORPORATION has caused this Note to be duly executed under its corporate seal.

UNION PACIFIC CORPORATION,
By: _____

CERTIFICATE OF AUTHENTICATION

[Seal]

This is one of the Notes issued under the within-mentioned Indenture.

Dated: _____

CITIBANK, N.A.,
as Trustee

By: _____
Authorized Signatory

[REVERSE OF MEDIUM-TERM NOTE, SERIES E]
Union Pacific Corporation
Medium-Term Note, Series E

This permanent global Note is one of a duly authorized issue of securities of Union Pacific Corporation, a Utah corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), unlimited in aggregate principal amount, issued and to be issued in one or more series under an Indenture, dated as of December 20, 1996, between the Company and Citibank, N.A., as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture (as hereinafter defined)) to which indenture and all supplemental indentures thereto (the "Indenture") reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee and the holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. This permanent global Note is one of the series of Notes designated on the face hereof, of an aggregate initial principal amount equal to the Principal Amount shown above (the "Principal Amount"), with the Interest Payment Dates, Issue Date, and Maturity Date specified on the face hereof and bearing interest on said Principal Amount at the interest rate specified on the face hereof. The Notes of this series may be issued from time to time with varying maturities, interest rates and other terms.

The Company, for value received, hereby promises to pay to Cede & Co., as nominee for the Depositary (as hereinafter defined), or registered assigns, the Principal Amount hereof on the Maturity Date shown on the face hereof, and to pay interest thereon, from and including the Issue Date shown on the face hereof or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, at a rate per annum equal to the Initial Interest Rate shown on the face hereof until the first Interest Reset Date shown on the face hereof following the Issue Date shown on the face hereof and thereafter in accordance with the provisions below under the headings "Determination of Commercial Paper Rate", "Determination of LIBOR", "Determination of Treasury Rate", "Determination of CD Rate", "Determination of Federal Funds Effective Rate", "Determination of Prime Rate", or "Determination of CMT Rate", depending upon whether the Interest Rate Index is the Commercial Paper Rate, LIBOR, Treasury Rate, CD Rate, Federal Funds Effective Rate, Prime Rate or CMT Rate as indicated on the face hereof, until the principal hereof is paid or duly made available for payment. Interest will be payable in arrears on each Interest Payment Date and at Maturity, commencing with the first Interest Payment Date after the Issue Date shown on the face hereof, unless the Issue Date is between a Regular Record Date (as defined below) and an Interest Payment Date, in which case, the first payment of interest hereon shall be made on the second Interest Payment Date following the Issue Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this permanent global Note (or one or more predecessor Notes) is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date. As used herein, "Regular Record Date" shall mean the date 15 calendar days prior to each Interest Payment Date, whether or not a Market Day (as defined below). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder on such Regular Record Date and may be paid to the Person in whose name this permanent global Note (or one or more predecessor Notes) is registered at the close of business on a Special Record Date to be fixed by the Trustee for the payment of such Defaulted Interest, notice whereof shall be given to the holder of this permanent global Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes of this series may be listed, and upon such notice as may be required by such exchange, all as more

fully provided in the Indenture. Notwithstanding the foregoing, interest payable on this permanent global Note at Maturity will be payable to the person to whom principal shall be payable.

The rate of interest on this Note will be reset daily, weekly, monthly, quarterly, semi-annually or annually (each, an "Interest Reset Date"), as specified on the face hereof. Unless otherwise specified on the face hereof, the Interest Reset Date will be as follows: if this Note resets daily, each Market Day; if this Note (other than a Treasury Rate Note) resets weekly, the Wednesday of each week; if this Note is a Treasury Rate Note that resets weekly, the Tuesday of each week; if this Note resets monthly, the third Wednesday of each month; if this Note resets quarterly, the third Wednesday of March, June, September and December; if this Note resets semi-annually, the third Wednesday of two months of each year which are six months apart, as specified on the face hereof; and if this Note resets annually, the third Wednesday of one month of each year, as specified on the face hereof; provided, however, that the interest rate in effect from the Issue Date of this Note (or any predecessor Note) to the first Interest Reset Date will be the Initial Interest Rate. If any Interest Reset Date for this Note would otherwise be a day that is not a Market Day, the Interest Reset Date for such Note shall be the next succeeding Market Day, except that in the case of a LIBOR Note, if such Market Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Market Day. "Initial Interest Rate" means the rate at which this Note will bear interest from its Issue Date to the first Interest Reset Date, as indicated on the face hereof.

If this Note is designated on the face hereof as an "Inverse Floating Rate Note", then, unless otherwise described on the face hereof, this Note will bear interest at a floating interest rate equal to the Fixed Interest Rate indicated on the face hereof minus the rate determined by reference to the applicable Interest Rate Index specified on the face hereof (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any; provided, however, that, unless otherwise specified on the face hereof, the interest rate hereon will not be less than zero.

Determination of Commercial Paper Rate

If the Interest Rate Index specified on the face hereof is the Commercial Paper Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the Commercial Paper Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "Commercial Paper Rate" means, with respect to any Commercial Paper Interest Determination Date, the Money Market Yield (calculated as described below) of the rate quoted on a discount basis on such date for commercial paper having the Index Maturity specified on the face hereof as published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published prior to 3:00 P.M., New York City time, on the related Calculation Date, then the Commercial Paper Rate shall be the rate set forth in the H.15 Daily Update for that day under the heading "Commercial Paper-Nonfinancial" in respect of commercial paper having the Index Maturity specified on the face hereof. If such rate is neither published in H.15(519) or in the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, then the Commercial Paper Rate on such Commercial Paper Interest Determination Date will be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates, as of 11:00 A.M., New York City time, on that Commercial Paper Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for commercial paper having the Index Maturity specified on the face hereof placed for a non-financial entity whose senior

unsecured bond rating is "AA", or the equivalent, from a nationally recognized rating agency; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate will be the Commercial Paper Rate in effect on such Commercial Paper Interest Determination Date.

"Money Market Yield" shall be a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

"H.15 Daily Update" means the daily update of the Board of Governors of the Federal Reserve System at <http://www.bog.frb.fed.us/releases/H15/update> or any successor site or publication. "H.15(519)" means the weekly statistical release entitled "Statistical Release H.15(519), Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System.

Determination of LIBOR

If the Interest Rate Index specified on the face hereof is LIBOR, the interest rate with respect to this Note for any Interest Reset Date shall be LIBOR plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "LIBOR" means the rate determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to any LIBOR Interest Determination Date, LIBOR will be either: (a) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates (unless the Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Index Currency having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, that appear (or, if only a single rate is provided as aforesaid, appears) on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or (b) if "LIBOR Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified on the face hereof as the method for calculating LIBOR, the arithmetic mean of the rates for deposits in the Index Currency having the Index Maturity specified on the face hereof, commencing on such Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If fewer than two such offered rates appear, or if no such rate appears, as applicable, LIBOR on such LIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page as specified in clause

(i) above, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time. If at least two quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks in such Principal Financial Center (as defined below) selected by the Calculation Agent for loans in the Index Currency to leading European banks, having the Index Maturity specified on the face hereof and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"Index Currency" means the currency or composite currency specified on the face hereof as to which LIBOR shall be calculated. If no such currency or composite currency is specified on the face hereof, the Index Currency shall be United States dollars.

"Designated LIBOR Page" means (a) if "LIBOR Reuters" is specified on the face hereof, the display on the Reuters Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (or any other page as may replace such page or such service (or any successor service)) for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is specified on the face hereof or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Dow Jones Markets Limited (or any successor service) on page 3750 if the U.S. dollar is the Index Currency or with respect to any other Index Currency, on the page specified on the face hereof (or any other page as may replace such page or such service (or any successor service)) for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency.

Determination of Treasury Rate

If the Interest Rate Index specified on the face hereof is the Treasury Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the Treasury Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "Treasury Rate" means, with respect to any Treasury Interest Determination Date, the rate from the most recent auction of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified on the face hereof as such rate appears on either the Telerate page 56 or the Telerate page 57 under the heading "AVGE INVEST YIELD" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the auction average rate of such Treasury Bills (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as

applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury. If the results of the auction of Treasury Bills having the Index Maturity specified on the face hereof are not reported as provided above by 3:00 P.M., New York City time, on such Calculation date, or if no such auction is held, then the Treasury Rate will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates as of approximately 3:30 P.M., New York City time, on such Treasury Interest Determination Date, of three leading primary United States government securities dealers (which may include any agents entering into contracts with the Company to solicit purchases of the Notes, or any affiliates of such agents (collectively, the "Agents"; and each Agent or other securities dealer acting in such capacity, a "Reference Dealer") selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; provided, however, that if the Reference Dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate will be the Treasury Rate in effect on such Treasury Interest Determination Date.

Determination of CD Rate

If the Interest Rate Index specified on the face hereof is the CD Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the CD Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "CD Rate" means, with respect to any CD Interest Determination Date, the rate on such date for negotiable U.S. dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) under the heading "CDs (Secondary market)." If such rate is not so published by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate will be the rate on such CD Interest Determination Date for negotiable U.S. dollar certificates of deposit having the Index Maturity specified on the face hereof as published in the H.15 Daily Update. If such rate is neither published in H.15(519) or in the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, the CD Rate on such CD Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Interest Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in The City of New York (which may include any of the Agents) selected by the Calculation Agent for negotiable U.S. dollar certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable U.S. dollar certificates of deposit) with a remaining maturity closest to the Index Maturity specified on the face hereof in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate will be the CD Rate in effect on such CD Interest Determination Date.

Determination of Federal Funds Effective Rate

If the Interest Rate Index specified on the face hereof is the Federal Funds Effective Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the Federal Funds Effective Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "Federal Funds Effective Rate" means, with respect to any Federal Funds Interest Determination Date, the rate on that date for Federal Funds having the Index Maturity specified on the face hereof as published in H.15(519) under the heading "Federal Funds (Effective)." If such rate is not so published by 9:00 A.M., New York City time, on the related Calculation Date, then the Federal Funds Effective Rate will be the rate on such Federal Funds Interest Determination Date as published in the H.15 Daily Update under the heading "Federal Funds (Effective)." If such rate is neither published in H.15 (519) or in the H.15 Daily Update by 3:00 P.M. New York City time, on the related Calculation Date, then the Federal Funds Effective Rate on such Federal Funds Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates as of 9:00 A.M., New York City time, on such Federal Funds Interest Determination Date for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York (which may include any of the Agents or their affiliates) selected by the Calculation Agent; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Effective Rate will be the Federal Funds Effective Rate in effect on such Federal Funds Interest Determination Date.

Determination of Prime Rate

If the Interest Rate Index specified on the face hereof is the Prime Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the Prime Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "Prime Rate" means, with respect to any Prime Rate Interest Determination Date, the rate on such date as is published in H.15(519) under the heading "Bank Prime Loan." If the rate is not published prior to 9:00 a.m., New York City time, on the related Calculation Date, then the Prime Rate will be the rate on such Prime Interest Determination Date as published in the H.15 Daily Update opposite the caption "Bank Prime Loan." If such rate is not published prior to 3:00 P.M., New York City time, on the related Calculation Date, in either H.15(519) or the H.15 Daily Update, then the Prime Rate shall be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined below) as such bank's prime rate or base lending rate as in effect for such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME1 Page for such Prime Rate Interest Determination, then the Prime Rate shall be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by four major money center banks in The City of New York selected by the Calculation Agent. If fewer than four such quotations are so provided, then the Prime Rate shall be the arithmetic mean of four prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date as furnished in The City of New York by the major money center banks, if any, that have provided such quotations and by a reasonable number of substitute banks or trust companies to obtain four such prime rate quotations, provided such substitute banks or trust companies are organized and doing business under the laws of the United States, or any State thereof, each having total equity capital of at least \$500,000,000 and being subject to supervision or examination by Federal or State authority, selected by the Calculation Agent to provide such rate or rates; provided, however, that if the banks or trust companies so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such

Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

"Reuters Screen USPRIME1 Page" means the display designated as page "USPRIME1" on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace the USPRIME1 Page on the Reuters Monitor Money Rates Service (or any successor service) for the purpose of displaying prime rates or base lending rates of major United States banks.

Determination of CMT Rate

If the Interest Rate Index specified on the face hereof is the CMT Rate, the interest rate with respect to this Note for any Interest Reset Date shall be the CMT Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, as specified on the face hereof, as determined on the applicable Interest Determination Date.

Unless otherwise specified on the face hereof, "CMT Rate" means, with respect to any CMT Rate Interest Determination Date, the rate displayed on the Designated CMT Telerate Page under the caption ". . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index for (i) if the Designated CMT Telerate Page is 7051, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the weekly or monthly average, as specified on the face hereof, for the week or the month, as applicable, ended immediately preceding the week or month, as applicable, in which the related CMT Rate Interest Determination Date occurs. If such rate is no longer displayed on the relevant page or is not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on the CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date reported, according to their written records, by three Reference Dealers in The City of New York selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent is unable to obtain three such Treasury Note quotations, the CMT Rate on such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest

Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining maturity closest to the Index Maturity specified on the face hereof and in an amount that is representative for a single transaction in that market at that time. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided, however, that if fewer than three Reference Dealers so selected by the Calculation Agent are quoting as mentioned herein, the CMT Rate determined as of such CMT Rate Interest Determination Date will be the CMT Rate in effect on such CMT Rate Determination Date. If two Treasury Notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the Calculation Agent will obtain quotations for the Treasury Note with the shorter remaining term to maturity and will use such quotations to calculate the CMT Rate as set forth above.

"Designated CMT Telerate Page" means the display on Telerate (or any successor service) on the page specified on the face hereof (or any other page as may replace such page on that service (or any successor service) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified on the face hereof, the Designated CMT Telerate Page shall be 7052, for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities (either one, two, three, five, seven, 10, 20 or 30 years) specified on the face hereof with respect to which the CMT Rate will be calculated. If no such maturity is specified on the face hereof, the Designated CMT Maturity Index shall be two years.

Unless otherwise specified on the face hereof, all percentages resulting from any calculation on this Note will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all dollar amounts used in or resulting from such calculation on this Note will be rounded to the nearest cent (with one-half cent being rounded upwards).

The Interest Determination Date pertaining to an Interest Reset Date for (a) a Commercial Paper Rate Note (the "Commercial Paper Interest Determination Date"), (b) a CD Rate Note (the "CD Interest Determination Date"), (c) a Federal Funds Rate Note (the "Federal Funds Interest Determination Date"), (d) a Prime Rate Note (the "Prime Interest Determination Date") or (e) a CMT Rate Note (the "CMT Rate Interest Determination Date") will be the second Market Day preceding the Interest Reset Date with respect to such Note. The Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note (the "LIBOR Interest Determination Date") will be the second London Market Day preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note (the "Treasury Interest Determination Date") will be the day of the week in which such Interest Reset Date falls on which Treasury bills would normally be auctioned. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be held on the preceding Friday. If,

as a result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction date shall fall on any Interest Reset Date for a Treasury Rate Note, then such Interest Reset Date shall instead be the first Market Day immediately following such auction date.

"Calculation Date", where applicable, means the date by which the Calculation Agent is to calculate the interest rate for this Note which shall be the earlier of (i) the tenth calendar day after the related Interest Determination Date, or if any such day is not a Market Day, the next succeeding Market Day and (ii) the Market Day preceding the applicable Interest Payment Date or Maturity, as the case may be.

Upon the request of the holder hereof, the Calculation Agent will provide the interest rate then in effect, and, if then determined, the interest rate which will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to this Note. The "Calculation Agent" means the agent appointed by the Company to calculate interest rates under the circumstances specified above. Unless otherwise provided on the face hereof, the Calculation Agent will be Citibank, N.A.

Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown on the face hereof. In addition, the interest rate hereon shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

Unless otherwise indicated on the face hereof and except as provided below, the Interest Payment Dates for this Note will be, if the rate of interest on this Note resets daily, weekly or monthly, the third Wednesday of each month or the third Wednesday of March, June, September and December of each year (as indicated on the face hereof); if the rate of interest on this Note resets quarterly, the third Wednesday of March, June, September and December of each year; if the rate of interest on this Note resets semi-annually, the third Wednesday of the two months of each year that are six months apart specified on the face hereof; and if the rate of interest on this Note resets annually, the third Wednesday of the month specified on the face hereof, and in each case, at Maturity. If an Interest Payment Date specified on the face hereof (other than an Interest Payment Date occurring at Maturity) would otherwise be a day that is not a Market Day, such Interest Payment Date will be the next succeeding Market Day, except that in the case of a LIBOR Note, if such day is in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Market Day. "Market Day" means (a) with respect to any Note, any day that is not a Saturday or Sunday and that, in The City of New York, is not a day on which banking institutions generally are authorized or obligated by law or executive order to close, (b) with respect to LIBOR Notes only, any such day on which dealings in deposits in U.S. dollars are transacted in the London interbank market (a "London Market Day"), (c) with respect to Notes denominated on the face hereof in a Specified Currency other than United States Dollars ("Foreign Currency Notes"), other than Notes denominated in Euro, any day that, in the Principal Financial Center (as defined below) of the country of the Specified Currency or, with respect to Foreign Currency Notes denominated in European Currency Units, Brussels, is not a day on which banking institutions generally are authorized or obligated by law to close and (d) with respect to Notes denominated in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("TARGET") System is open. "Principal Financial Center" means (i) the capital city of the country issuing the Specified Currency (except as described above with respect to European Currency Units) or (ii) the capital city of the country to which the Designated LIBOR Currency relates (or, in the case of European Currency Units, Luxemburg), as applicable, except, in the case of (i) or (ii) above, that with respect to U.S. dollars, Australian dollars,

Canadian dollars, Deutsche marks, Dutch guilders, Italian lire and Swiss francs, the "Principal Financial Center" shall be The City of New York, Sydney, Toronto, Frankfurt, Amsterdam, Milan (solely in the case of the Specified Currency) and Zurich, respectively. If the Maturity of this Note falls on a day that is not a Market Day, the required payment of principal, premium, if any, and interest will be made on the next succeeding Market Day with the same force and effect as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after the Maturity to the date of such payment on the next succeeding Market Day.

Unless otherwise specified on the face hereof, interest payments hereon shall be the amount of interest accrued from and including each Interest Payment Date (or from and including the Issue Date in the case no interest has been paid) to, but excluding, the next succeeding Interest Payment Date or Maturity, as the case may be.

Accrued interest hereon from the Issue Date shown on the face hereof or from the last date to which interest has been paid or duly provided for is calculated by multiplying the Principal Amount on the face hereof by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day from and including the Issue Date or from and including the last date to which interest has been paid or duly provided for, as the case may be, to but excluding the date for which accrued interest is being calculated. The interest factor for each such day is computed by dividing the interest rate applicable to such date by 360, in the case of Commercial Paper Rate Notes, LIBOR Notes, CD Rate Notes, Federal Funds Rate Notes and Prime Rate Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes and CMT Rate Notes.

This permanent global Note is exchangeable for definitive registered Notes of this series of like tenor and of an equal aggregate principal amount only if (x) The Depository Trust Company, or any successor depository with respect to the Notes of this series (the "Depository"), notifies the Company that it is unwilling or unable to continue as Depository for this permanent global Note or if at any time the Depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and a successor depository is not appointed by the Company within 90 days, (y) the Company in its sole discretion determines that this permanent global Note shall be exchangeable for definitive registered Notes and executes and delivers to the Trustee an order of the Company providing that this permanent global Note shall be so exchangeable or (z) there shall have happened and be continuing an Event of Default or any event which, after notice or lapse of time, or both, would become an Event of Default with respect to the Notes of the series of which this permanent global Note is a part. If this permanent global Note is exchangeable pursuant to the preceding sentence, this Note shall in the case of clause (x) above be exchanged in whole for definitive registered Notes of this series, and in the case of clauses (y) and (z) above, be exchangeable for definitive registered Notes of this series, provided that the definitive registered Notes so issued in exchange for this Note shall be in authorized denominations and be of like tenor and of an equal aggregate principal amount as the portion of the Note to be exchanged, and provided further that, in the case of clauses (y) and (z) above, definitive registered Notes of this series will be issued in exchange for this permanent global Note, or any portion hereof, only if such definitive registered Notes were requested by written notice to the Security Registrar by or on behalf of a Person who is a beneficial owner of an interest herein given through the holder hereof. Any definitive registered Notes of this series issued in exchange for this permanent global Note shall be registered in the name or names of such Person or Persons as the holder hereof shall instruct the Security Registrar. Except as provided on the face hereof, owners of beneficial interests in this permanent global Note will not be entitled to receive

physical delivery of Notes in definitive form and will not be considered the holders thereof for any purpose under the Indenture.

Any exchange of this permanent global Note for one or more definitive registered Notes of this series will be made at the Corporate Trust Office of the Security Registrar in New York, New York. Upon exchange of any portion of this permanent global Note for one or more definitive registered Notes of this series, the Trustee shall endorse Exhibit A of this Note to reflect the reduction of its Principal Amount by an amount equal to the aggregate principal amount of the definitive registered Notes of this series so issued in exchange, whereupon the Principal Amount hereof shall be reduced for all purposes by the amount so exchanged and noted. Except as otherwise provided herein or in the Indenture, until exchanged in full for one or more definitive registered Notes of this series, this permanent global Note shall in all respects be subject to and entitled to the same benefits and conditions under the Indenture as a duly authenticated and delivered definitive registered Note of this series.

Except as provided in the next paragraph, no beneficial owner of any portion of this permanent global Note shall be entitled to receive payment of accrued interest hereon until this permanent global Note has been exchanged for one or more definitive registered Notes of this series, as provided herein and in the Indenture.

The principal and any interest in respect of any portion of this permanent global Note payable in respect of an Interest Payment Date or at the Stated Maturity thereof, in each case occurring prior to the exchange of such portion for a definitive registered Note or Notes of this series, will be paid, as provided herein, to the holder hereof which will undertake in such circumstances to credit any such principal and interest received by it in respect of this permanent global Note to the respective accounts of the Persons who are the beneficial owners of such interests on such Interest Payment Date or at Stated Maturity. If a definitive registered Note or registered Notes of this series are issued in exchange for this permanent global Note after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, then interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the holder hereof, and the holder hereof will undertake in such circumstances to credit such interest to the account or accounts of the Persons who were the beneficial owners of any portion of this permanent global Note on such Regular Record Date or Special Record Date, as the case may be.

Payment of the principal of (and premium, if any) and any such interest on this permanent global Note will be made at the Corporate Trust Office of the Trustee in the borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the addresses of the Persons entitled thereto as such addresses shall appear in the Security Register or by transfer to an account maintained by the payee with, a bank in The City of New York (so long as the applicable Paying Agent has received transfer instructions in writing).

The principal of and any premium and interest on any "Foreign Currency Notes" are payable by the Company in U.S. dollars, except as provided below. Unless otherwise specified on the face hereof, the Exchange Rate Agent (as defined below) will obtain the quotations necessary to convert the amount of all payments of principal of and any premium and interest on Foreign Currency Notes from the Specified Currency to U.S. dollars. Unless otherwise specified on the face hereof, however, the holder of a Foreign Currency Note may elect to receive such payments in the Specified Currency as described below.

Any U.S. dollar amount to be received by a holder of a Foreign Currency Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Market Day preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer of the Specified Currency for U.S. dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available, payments will be made in the Specified Currency. All currency exchange costs will be borne by the holder of the Foreign Currency Note by deductions from such payments. As used herein, "Exchange Rate Agent" means the agent appointed by the Company to obtain the quotations necessary to convert the amount of principal and any premium and interest payments on Foreign Currency Notes from the Specified Currency into U.S. dollars. Unless otherwise indicated on the face hereof, the Exchange Rate Agent will be Citibank, N.A.

Unless otherwise specified on the face hereof, a holder of a Foreign Currency Note may elect to receive payment of the principal of and any premium and interest on such Note in the Specified Currency by filing a written request, signature guaranteed, for such payment at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York, on or prior to the Regular Record Date or at least 16 days prior to Maturity, as the case may be. A holder of a Foreign Currency Note may make such election with respect to all principal and any premium and interest payments and need not file a separate election for each payment. Such election will remain in effect until changed by written notice to the Paying Agent, but written notice of any such change must be received by the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be. Any such election or change thereof will be deemed to be made for all Foreign Currency Notes denominated in such Specified Currency which are registered in the name of such holder, unless such holder specifies in such written request the particular Foreign Currency Notes with regard to which such election or change thereof shall not apply.

Except as described below, principal of and any premium and interest on Foreign Currency Notes paid in U.S. dollars will be paid in the manner specified above for principal of and any premium and interest on Notes denominated in U.S. dollars, and principal of and any premium and interest on Foreign Currency Notes paid in a Specified Currency will be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. All checks payable in a Specified Currency will be drawn on a bank office located outside the United States. In addition, payments in U.S. dollars of principal of and any premium and interest on a Foreign Currency Note in which the equivalent of U.S. \$10,000,000 or more has been invested may, at the request of the holder thereof, be made in immediately available funds at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York, provided that, in the case of payments of principal and any premium, such Note is presented to the Paying Agent in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Also, payments in a Specified Currency of principal of

and any premium and interest on a Foreign Currency Note in which the equivalent of U.S. \$10,000,000 or more has been invested may, at the request of the holder thereof, be made by wire transfer to an account with a bank located in the country of the Specified Currency, as shall have been designated on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be, provided that, in the case of payments of principal and any premium, the Note is presented at the Corporate Trust Office of the Paying Agent, in the Borough of Manhattan, The City of New York in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Any request of a holder in accordance with this paragraph must be transmitted to the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be. Such request may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. Such holder may make such election for all principal and any premium and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Paying Agent, but written notice of any such revocation must be received by the Paying Agent on or prior to the relevant Regular Record Date or at least 16 days prior to Maturity, as the case may be.

Unless otherwise specified on the face hereof, the owner of a beneficial interest in this permanent global Note (if such Note is denominated in a Specified Currency on the face hereof) that elects to receive payments of principal, premium or interest in such Specified Currency must notify the participant in the Depository's book-entry system through which its interest is held on or prior to the applicable Record Date, in the case of a payment of interest, and at least 16 days prior to Maturity, in the case of a payment of principal or premium, of such beneficial owner's election to receive such payment in such Specified Currency. Such participant must notify the Depository of such election on or prior to the third Market Day after such Record Date or at least 12 days prior to Maturity, as the case may be, and the Depository will notify the Paying Agent of such election on or prior to the fifth Market Day after such Record Date or at least 10 days prior to the Maturity Date, as the case may be. If complete instructions are received by such participant from the beneficial owner and forwarded by the participant to the Depository, and by the Depository to the Paying Agent, on or prior to such dates, then such beneficial owner will receive payments in the applicable Specified Currency.

The Indenture contains certain provisions for defeasance which shall apply to this permanent global Note.

If so provided on the face hereof, this permanent global Note may be redeemed by the Company on the Redemption Date(s) and at the applicable Redemption Price(s) so indicated on the face hereof. If no date on which this permanent global Note is redeemable is set forth on the face hereof, this permanent global Note may not be redeemed prior to Maturity. On the Redemption Date(s), if any, on which this permanent global Note may be redeemed, this permanent global Note may be redeemed in whole or in part in increments of \$1,000 or such other minimum denomination provided on the face hereof (provided that any remaining principal amount of this permanent global Note shall be at least \$1,000 or such minimum denomination) at the option of the Company at the applicable Redemption Price, together with interest thereon payable to the applicable Redemption Date.

Notice of redemption will be given by mail to holders of Notes, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture.

In the event of redemption of this permanent global Note in part only, a new permanent global Note or Notes of this series and of like tenor for the unredeemed portion of the Principal Amount hereof will be delivered to the Depository upon the cancellation hereof.

Unless otherwise indicated on the face hereof, this permanent global Note will not have a sinking fund.

Unless otherwise indicated on the face hereof, this permanent global Note will not be subject to redemption at the option of the holder.

If so provided on the face hereof, the Company may be required to repurchase the Notes of this series, in whole or in part, on the Repayment Date(s) and at the applicable Repayment Price(s) so indicated on the face hereof, plus accrued interest, if any, to the applicable Repayment Date. On or before the applicable Repayment Date, the Company shall deposit with the Trustee money sufficient to pay the applicable Repayment Price and any interest accrued on such Notes to be tendered for repayment. On and after such Repayment Date, interest will cease to accrue on such Notes or any portion thereof tendered for repayment.

The repayment option may be exercised by the holder of this permanent global Note for less than the entire principal amount of this permanent global Note, but in that event, the principal amount of this permanent global Note remaining outstanding after repayment must be in an authorized denomination and the denomination of the new Note or Notes to be issued to the holder for the portion of the principal amount of such Note surrendered that is not to be repaid must be specified. In the event of repurchase of this permanent global Note in part only, a new Note or Notes of this series and of like tenor for the unpurchased portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

In order for this Note to be repaid, the Paying Agent must receive at least 30 days but not more than 45 days prior to the repayment date (i) this Note with the form entitled "Option to Elect Repayment" on the reverse of this Note duly completed or (ii) a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange, the National Association of Securities Dealers, Inc., the Depository or a commercial bank or trust company in the United States setting forth the name of the holder of this Note, the principal amount of this Note, the principal amount of this Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby, and a guarantee that this Note to be repaid, together with the duly completed form entitled "Option to Elect Repayment" on the reverse of this Note, will be received by the Paying Agent not later than the fifth Market Day after the date of such telegram, telex, facsimile transmission or letter; provided, however, such telegram, telex, facsimile transmission or letter shall only be effective if this Note and duly completed form are received by the Paying Agent by such fifth Market Day.

If an Event of Default (or event which, after giving of notice or passage of time would constitute an Event of Default) with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Note of this series may institute any action under the Indenture unless (a) such holder shall have given the Trustee written notice of a continuing Event of Default with respect to such series, (b) the holders of not less than 25% in

aggregate principal amount of the outstanding Notes of this series shall have requested the Trustee to institute proceedings in respect of such Event of Default, (c) such holder or holders shall have offered the Trustee such reasonable indemnity as the Trustee may require, (d) the Trustee shall have failed to institute an action for 60 days thereafter and (e) no inconsistent direction shall have been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of Notes of this series.

No reference herein to the Indenture and no provision of this permanent global Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and any interest on this permanent global Note at the times, places and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of a Note is registerable in the Security Register, upon surrender of such Note for registration of transfer at the office of the Security Registrar for this series or at the offices of any transfer agent designated by the Company for such purpose. Every Note presented for registration of transfer shall (if so required by the Company or the Trustee) be duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee and the Security Registrar duly executed by the holder or its attorney duly authorized in writing, and one or more new Notes of like tenor and terms in registered form, of authorized denominations and for the same aggregate principal amount, will be issued in the name or names of the designated transferee or transferees and delivered at the office of the Security Registrar in The City of New York, or mailed, at the request, risk and expense of the transferee or transferees, to the address or addresses shown in the Security Register for such transferee or transferees.

Any transfers of Notes or interests in Notes in different denominations shall in each case be for Notes or interests of like tenor and terms and equal aggregate principal amounts.

Prior to due presentment of a Note for registration of transfer, the Company, the Trustee, the Security Registrar and any agent of the Company, the Trustee or the Security Registrar may treat the Person in whose name a Note is registered as the owner hereof for all purposes, whether or not such Note is overdue, and neither the Company, the Trustee, the Security Registrar nor any such agent shall be affected by notice to the contrary.

The Company shall not be required (i) to issue, transfer or exchange Notes during a period beginning at the opening of business of 15 days before the day of the mailing of the relevant notice of redemption of Notes selected for redemption under Section 1103 of the Indenture and ending at the close of business on the date of such mailing or (ii) to transfer or exchange any Note so selected for redemption in whole or in part.

No service charge shall be made for any registration of transfer of any Note, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The authorized denominations of Notes denominated in U.S. Dollars will be U.S. \$1,000 and any larger amount that is an integral multiple of U.S. \$1,000. The authorized denominations of Notes denominated in a currency other than U.S. Dollars will be as set forth on the face hereof.

The Notes of this series (including this permanent global Note) shall be dated the date of their authentication.

All terms used and not otherwise defined in this permanent global Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and the Notes shall be construed in accordance with and governed by the laws of the State of New York.

SECURITY REGISTRAR AND PAYING AGENT

SECURITY REGISTRAR AND PAYING AGENT
(subject to change)

Citibank, N.A.
111 Wall Street
5th Floor
Corporate Trust Services
New York, New York 10043

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay the within Note (or portion hereof specified below) pursuant to its terms at a price equal to the applicable Repayment Price thereof together with interest to the Repayment Date specified below, to the undersigned

(Please print or typewrite name and address of the undersigned)

If less than the entire principal amount of the within Note is to be repaid, specify the portion thereof which the holder elects to have repaid ; and specify the denomination or denominations (which shall be in authorized denominations) of the Notes to be issued to the holder for the portion of the within Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid):

Repayment Date: -----

Date: -----

(Signature)

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM--as tenants in common
- TEN ENT--as tenants by the entireties
- JT TEN--as joint tenants with right of survivorship and
not as tenants in common
- UNIF GIFT MIN ACT--.....Custodian.....
(Cust) (Minor)
Under Uniform Gifts to Minors Act

.....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

:
:

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE-----

the within Note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said Note on the books of the Company, with full power of substitution in the premises.

Dated: -----

Signature
(Signature must correspond with the name as written on the face of the within instrument in every particular, without alteration or enlargement or any change whatever.)

Schedule of Exchanges