

BERKSHIRE HATHAWAY INC.

To: The Directors, Executive Officers and Key Employees of Berkshire Hathaway Inc. and the Executive Officers and Key Employees of its Subsidiaries

From: Warren E. Buffett

Re: "Insider" Trading Policies and Procedures

Several provisions in the Securities Exchange Act of 1934 and the rules thereunder restrict transactions in publicly-traded securities by persons possessing "inside" information - material nonpublic information relevant to the value of such securities. In light of these provisions, it is imperative that all persons who possess material nonpublic information about publicly-traded securities: 1) refrain from purchasing or selling such securities; and 2) refrain from "tipping" (i.e. passing along) such information to others who may purchase or sell such securities.

It is important to understand that this restriction applies not only to material nonpublic information relevant to securities issued by Berkshire Hathaway Inc. (which, for purposes of this policy, includes all of its subsidiaries) but also to material nonpublic information relevant to any other publicly-traded securities. This latter category would include securities of other public companies in which Berkshire has invested or is actively considering making an investment. For example, while Berkshire may properly purchase securities even though the news of such purchases might cause a price increase, employees, officers and directors of Berkshire who learn this news in advance of public disclosure could not purchase these securities until the news had been disclosed publicly. The restriction does not apply to (1) Berkshire investment managers with whom Berkshire has entered into a written trading arrangement permitting such manager to trade alongside Berkshire in the securities of other public companies, to the extent and on the terms provided in such arrangement, and (2) any trading in Berkshire securities pursuant to a valid Rule 10b5-1 plan entered into with the prior consent of Marc Hamburg (any trading permitted under such an arrangement or taking place under such a plan, "Permitted Trading").

The penalties for trading or "tipping" inside information can be severe. Among other things, a person who trades on material nonpublic information, or who provides such information to others, is potentially subject to a civil penalty of up to three times the profits earned or losses avoided, a criminal fine of up to \$5,000,000, no matter how small the profit obtained, and a jail term of up to 20 years. In 2012 alone, the SEC and Department of Justice brought 86 insider trading cases alone.

Securities laws also subject controlling persons to civil penalties for illegal insider trading by employees, including employees located outside the United States. Controlling persons include employers (e.g., Berkshire), and the term is being interpreted by the SEC to include directors, officers and supervisors. These persons may be subject to fines up to the greater of \$1,000,000 or three times the profit of (or loss avoided by) the insider trader.

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From time to time, Berkshire has been requested by the SEC to disclose the names of Berkshire employees who may be aware of our trading activities. The purpose of these requests is to determine whether any insider trading has occurred among our employees or their "tippees". Berkshire has complied with all such requests in the past and will do so in the future. It is our intention to cooperate with the SEC to the full extent in uncovering any insider trading.

In light of the potential severe penalties which could arise as a result of trading on, or tipping, nonpublic information, it is necessary that we establish formal policies governing securities trading by certain key individuals. Failure to adhere to the policies which follow could result in dismissal from Berkshire for cause whether or not any civil or criminal penalties arise from the "inside" securities trading.

1. **Except for Permitted Trading, the trading of securities of Berkshire or any other public company while the trader is in possession of material nonpublic information is prohibited.**

For purposes of this policy, material information is defined as any information that a reasonable investor would consider important in making a decision to buy, hold or sell securities. In short, it includes any information that could be expected to affect the price of securities. All actual and anticipated securities transactions of Berkshire and its subsidiaries that have not been publicly disclosed should be considered material.

Other public companies to which this prohibition is applicable include those that may be involved in a significant transaction with Berkshire as well as those for which Berkshire may have access to material nonpublic information through Berkshire's status as a significant investor or through participation by Berkshire personnel on the board of directors.

2. **The unauthorized disclosure of any material nonpublic information acquired in connection with work for Berkshire or its subsidiaries is prohibited.**

Charges have been brought not only against those who trade on inside information, but against those who pass information to others. Rajat Gupta, a director of Goldman Sachs, was recently sentenced to two years in prison for revealing to a trader confidential information concerning the investment Berkshire was about to make in Goldman Sachs. In addition, Mr. Gupta was ordered to pay a \$13.9 million penalty and has been banned from serving as an officer or director of a public company.

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In order to ensure that these policies are adhered to, the following procedures are to be followed with respect to securities transactions by directors of Berkshire ("Directors") and by executive officers and key employees of Berkshire and executive officers and key employees of its subsidiaries (collectively, "Covered Employees"), as well as by members of the households or dependents of, and any trust or other entity controlled by, any Directors or Covered Employees (collectively, "Family Members"):

- 1. For all Covered Employees (and their Family Members) other than executive officers of Berkshire and others designated by Berkshire (and their Family Members), trading in Berkshire securities may be done without pre-clearance during the 45 day periods following the posting of Berkshire's annual and quarterly reports on the Internet. Except for Permitted Trading, trading in Berkshire securities by such Covered Employees (and their Family Members) during other periods, and all trading by Directors and executive officers of Berkshire and others designated by Berkshire (and their Family Members), should be pre-cleared with Marc Hamburg before entering into any transaction.**
- 2. If a Director or Covered Employee is aware that Berkshire has taken or altered a position in a public company's securities or that Berkshire is actively considering such action, trading (other than Permitted Trading) in any securities of such public company by such Director or Covered Employee or any of his or her Family Members is expressly prohibited prior to the public disclosure by Berkshire of its actions with respect to such public company's securities (or until the Director or Covered Employee becomes aware that Berkshire did not take and is no longer actively considering such action).**
- 3. For all Covered Employees (and their Family Members), subsequent to the public disclosure of Berkshire taking a position in a public company's securities, all trading in the securities of such public company (other than Permitted Trading) must be pre-cleared with Marc Hamburg until such time as Berkshire announces that it no longer holds a position in such company. At the current time, Berkshire has publicly disclosed ownership of securities in the following public companies:**

UPDATED AS OF _____

- 4. Quarterly all Directors and Covered Employees will be required to certify that they have complied with these procedures.**

It will be to the benefit of all employees and our shareholders to have the procedures outlined above in place. Please sign the accompanying certification and return it to Marc Hamburg. If you have any questions or concerns regarding the policies or procedures, feel free to discuss them with me.

QUARTERLY CERTIFICATION FORM

TO: Marc D. Hamburg

RE: "Insider" Trading Policies and Procedures

This will certify that I have read Warren E. Buffett's memorandum regarding insider trading. I understand the policies and procedures as outlined in the memorandum and I have complied with such policies and procedures during the three month period ended _____, provided, however, that, except for pre-clearances required by the first procedure, the policies and procedures do not apply to any trading in the securities of an issuer done by any person (investment manager, investment adviser or otherwise) acting with full investment power and discretion from me, so long as I have not discussed with such person (or any of such person's employees or associated persons) material non-public information that I have learned in my capacity as a director, officer or key employee of Berkshire or of a Berkshire subsidiary about that issuer (including Berkshire's taking or altering of a position in the securities of that issuer, or its active consideration of such action, prior to the public disclosure by Berkshire of its actions with respect to that issuer's securities or my becoming aware that Berkshire did not take and is no longer actively considering any such actions).

By: _____
(Signature)

(Printed Name)

Dated: _____