BERKSHIRE HATHAWAY INC.
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OMAHA, NEBRASKA 68131
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February 5, 2016

VIA FEDERAL EXPRESS and E-MAIL mvasina@neb.rr.com

Mr. Mark Vasina
The Nebraska Peace Foundation
941 "O" Street
Lincoln, NE 68508

Re: Berkshire Hathaway Inc. Shareholder Proposal

Dear Mr. Vasina:

Pursuant to Question 13 of Regulation 240.14a-8(m) of the Securities Exchange Act of 1934, enclosed is a draft copy of the section of our proxy statement with respect to your proposal regarding the reporting of Berkshire Hathaway's insurance division's response to the risks posed by climate change. The opposition statement of the Berkshire Hathaway Board of Directors is also included in the enclosed draft. Berkshire Hathaway intends to include your proposal along with the opposition statement in its definitive proxy statement which is currently expected to be filed with the Securities and Exchange Commission on or about March 11, 2016.

Very truly yours,

BERKSHIRE HATHAWAY INC.

Marc D H

By Marc D. Hamburg
Senior Vice President

MDH/es

Enclosure

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SHAREHOLDER PROPOSAL

The Nebraska Peace Foundation owns one share of Class A Common Stock and has given notice that a representative of the Nebraska Peace Foundation intends to present for action at the meeting the following proposal.

WHEREAS: Climate change is a slow-moving process relative to many other public policy issues. Nonetheless, the future of the world's climate system hinges heavily on actions taken by governments, corporations, and individuals over the next few decades. Claims exposure to weather-related events requires that insurance and reinsurance companies take the lead in evaluating and managing the impact of extreme weather. Meanwhile, climate change could have unanticipated adverse effects on the investments of insurers.

AND WHEREAS: Reporting of risks helps companies better integrate and gain strategic value from existing operations, identify and anticipate gaps and opportunities, develop company-wide communications, and receive feedback. Reporting on the impact of climate change for Berkshire Hathaway insurance companies would confirm their status as leaders in the global insurance industry, complementing the leadership BH energy companies demonstrate in the provision of renewable energy.

BE IT RESOLVED: Shareholders request the BH insurance division, within a reasonable period of time, issue a report describing the division's responses to the risks posed by climate change. The report should include specific initiatives and goals relating to each risk issue identified; be prepared at a reasonable cost; and omit proprietary information.

SUPPORTING STATEMENT:

Insurance regulators worldwide are exploring the implication of climate change-related risks for the insurance sector and adapting their supervisory approach.

In 2013 the National Association of Insurance Commissioners in the US adopted revisions to the Financial Condition Examiners Handbook to support examiners in assessing any potential impact of climate change on solvency of insurance firms.

In September 2015, the Prudential Regulation Authority of the Bank of England (responsible for regulation of UK insurance companies) issued an 85-page report outlining the risks facing the insurance industry as a result of climate change. The PRA has indicated it expects PRA-regulated insurance firms to consider the risks identified.

The impact of climate change on the UK insurance sector: A climate change adaptation report by the Prudential Regulation Authority identifies three climate-change risk factors affecting insurers:

"(i) Physical risks: the first-order risks which arise from weather-related events...such as damage to property, and also those that may arise indirectly through subsequent events, such as disruption of global supply chains or resource scarcity.

"(ii) Transition risks: the financial risk which could arise for insurance firms from the transition to a lower-carbon economy. For insurance firms, this risk factor is mainly about the potential re-pricing of carbon-intensive financial assets, and the speed at which any such re-pricing might occur...

"(iii) Liability risks: risks...from parties who have suffered loss and damage from climate change, and then seek to recover losses from others who they believe may have been responsible...[through] third-party liability contracts such as professional indemnity or directors' and officers' insurance."

The operations and capital strength of BH insurance companies would benefit greatly from a thorough internal review of the risks posed by climate change.

THE BOARD OF DIRECTORS UNANIMOUSLY FAVORS A VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Board of Directors shares the views of Berkshire's Chairman and CEO, Warren E. Buffett as to why Berkshire shareholders should vote against the shareholder proposal. Mr. Buffett described his reasons in his letter to Berkshire shareholders that is included in Berkshire's 2015 Annual Report. A condensed summary of his thoughts regarding this proposal follow.

It seems highly likely to me that climate change poses a major problem for the planet. I say "highly likely" rather than "certain" because I have no scientific aptitude and remember well the dire predictions of most "experts" about Y2K. It would be foolish, however, for me or anyone to demand 100% proof of huge forthcoming damage to the world, if that outcome seemed at all possible and if prompt action had even a small chance of thwarting the threat. If there is only a 1% chance the planet is heading toward a truly major disaster and delay means passing a point of no return, inaction now is foolhardy. Call this Noah's Law: If an ark may be essential for *survival*, begin building it today, no matter how cloudless the skies appear.

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It's understandable that the sponsor of the proposal believes Berkshire is especially threatened by climate change because we are a huge insurer, covering all sorts of risks. The sponsor may worry that property losses will skyrocket because of weather changes. And such worries might, in fact, be warranted if we wrote ten- or twenty-year policies at fixed prices. But insurance policies are customarily written for one year and repriced annually to reflect changing exposures. Increased possibilities of loss translate promptly into increased premiums.

So far, climate change has *not* produced more frequent or more costly hurricanes or other weather-related events covered by insurance. As a consequence, U.S. super-cat rates have *fallen* steadily in recent years which is why we have backed away from that business. If super-cats become costlier and more frequent, the likely – though far from certain – effect on Berkshire's insurance business would be to make it larger and more profitable.

As a citizen, you may understandably find climate change keeping you up at nights. As a homeowner in a low-lying area, you may wish to consider moving. But when you are thinking only as a shareholder of a major insurer, climate change should not be on your list of worries.

Proxies given without instructions will be voted <u>against</u> this shareholder proposal.