

BERKSHIRE HATHAWAY INC

Form DEF 14A

March 13, 2006

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential for Use of the Commission Only (as permitted by Rule 14a-6[e][2])

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**BERKSHIRE HATHAWAY INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement If Other Than The Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11: (Set forth the amount on which the filing fee is calculated and state how it was determined.)

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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3) Filing Party:

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**BERKSHIRE HATHAWAY INC.**  
**1440 Kiewit Plaza**  
**Omaha, Nebraska 68131**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
May 6, 2006

To The Shareholders:

Notice is hereby given that the Annual Meeting of the Shareholders of Berkshire Hathaway Inc. will be held at the Qwest Center Omaha, 455 North 10<sup>th</sup> Street, Omaha, Nebraska, on May 6, 2006 at 3:15 p.m. for the following purposes:

1. To elect directors.
2. To consider and act upon any other matters that may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 8, 2006 as the record date for determining the shareholders having the right to vote at the meeting or any adjournment thereof. A list of such shareholders will be available for examination by a shareholder for any purpose germane to the meeting during ordinary business hours at the offices of the Corporation at 1440 Kiewit Plaza, Omaha, Nebraska during the ten days prior to the meeting.

You are requested to date, sign and return the enclosed proxy which is solicited by the Board of Directors of the Corporation and will be voted as indicated in the accompanying proxy statement and proxy. A return envelope is provided which requires no postage if mailed in the United States. If mailed elsewhere, foreign postage must be affixed.

**Prior to the formal annual meeting, just as in recent years, the doors will open at the Qwest Center at 7:00 a.m. and the movie will be shown at 8:30 a.m. At 9:30 a.m., the question and answer period will commence. The question and answer period will last until 3:00 p.m. (with a short break for lunch). After a recess, the formal Annual Meeting of Shareholders will convene at 3:15 p.m.**

By order of the Board of Directors

FORREST N. KRUTTER, *Secretary*

*Omaha, Nebraska*  
*March 17, 2006*

**A shareholder may request meeting credentials for admission to the meeting by completing and promptly returning to the Company the meeting credential order form accompanying this notice. Otherwise, meeting credentials may be obtained at the meeting by persons identifying themselves as shareholders as of the record date. For a record owner, possession of a proxy card will be adequate identification. For a beneficial-but-not-of-record owner, a copy of a broker's statement showing shares held for his or her benefit on March 8, 2006 will be adequate identification.**

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**BERKSHIRE HATHAWAY INC.**  
**1440 Kiewit Plaza**  
**Omaha, Nebraska 68131**  
**PROXY STATEMENT**  
**FOR ANNUAL MEETING OF SHAREHOLDERS**  
**May 6, 2006**

This statement is furnished in connection with the solicitation by the Board of Directors of Berkshire Hathaway Inc. (hereinafter *Berkshire* or the *Corporation* ) of proxies in the accompanying form for the Annual Meeting of Shareholders to be held on Saturday, May 6, 2006 at 3:15 p.m. and at any adjournment thereof.

This proxy statement and the enclosed form of proxy were first sent to shareholders on or about March 17, 2006.

If the form of proxy enclosed herewith is executed and returned as requested, it may nevertheless be revoked at any time prior to exercise by filing an instrument revoking it or a duly executed proxy bearing a later date.

Solicitation of proxies will be made solely by mail at the Corporation's expense. The Corporation will reimburse brokerage firms, banks, trustees and others for their actual out-of-pocket expenses in forwarding proxy material to the beneficial owners of its common stock.

As of the close of business on March 8, 2006, the record date for the Annual Meeting, the Corporation had outstanding and entitled to vote 1,260,704 shares of Class A Common Stock (hereinafter called *Class A Stock* ) and 8,407,392 shares of Class B Common Stock (hereinafter called *Class B Stock* ). Each share of Class A Stock is entitled to one vote per share and each share of Class B Stock is entitled to one-two-hundredth (1/200) of one vote per share on all matters submitted to a vote of shareholders of the Corporation. The Class A Stock and Class B Stock vote together as a single class. Only shareholders of record at the close of business on March 8, 2006 are entitled to vote at the Annual Meeting or at any adjournment thereof.

The presence at the meeting, in person or by proxy, of the holders of Class A Stock and Class B Stock holding in the aggregate a majority of the voting power of the Corporation's stock entitled to vote shall constitute a quorum for the transaction of business. A plurality of the votes properly cast for the election of directors by the shareholders attending the meeting, in person or by proxy, will elect directors to office. However, pursuant to an amendment to the Berkshire Hathaway Inc. Corporate Governance Guidelines adopted in February 2006, if a director nominee in an uncontested election receives a greater number of votes withheld from his or her election than votes for that director's election, the nominee shall promptly offer his or her resignation to the Board. A committee consisting of the Board's independent directors (which will specifically exclude any director who is required to offer his or her own resignation) shall consider all relevant factors and decide on behalf of the Board the action to be taken with respect to such offered resignation and will determine whether to accept the resignation or take other action. The Corporation will publicly disclose the Board's decision with regard to any resignation offered under these circumstances with an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the offered resignation.

A majority of votes properly cast upon any other question shall decide the question. Abstentions and broker non-votes will count for purposes of establishing a quorum, but will not count as votes cast for the election of directors or any other question and accordingly will have no effect.

Shareholders who send in proxies but attend the meeting in person may vote directly if they prefer and withdraw their proxies or may allow their proxies to be voted with the similar proxies sent in by other shareholders.

## 1. ELECTION OF DIRECTORS

At the 2006 Annual Meeting of Shareholders, a Board of Directors consisting of eleven members will be elected, each director to hold office until a successor is elected and qualified, or until the director resigns, is removed or becomes disqualified.

Upon the recommendation of the Governance, Compensation and Nominating Committee, the members of the Board of Directors have nominated for election the eleven current directors of the Corporation. Certain information with respect to nominees for election as directors is contained in the following table:

**WARREN E. BUFFETT**, age 75, has been a director of the Corporation since 1965 and has been its Chairman and Chief Executive Officer since 1970. Mr. Buffett is a controlling person of the Corporation. He is also a director of The Coca-Cola Company and The Washington Post Company.

**HOWARD G. BUFFETT**, age 51, has been a director of the Corporation since 1993. For more than the past five years, Mr. Buffett has been President of Buffett Farms and President of BioImages, a photography and publishing company. From June of 1996 until August of 2001, Mr. Buffett was the Chairman of the Board of Directors of The GSI Group, a company primarily engaged in the manufacture of agricultural equipment. He is also a director of ConAgra Foods Inc. and Lindsay Manufacturing Co.

**MALCOLM G. CHACE**, age 71, has been a director of the Corporation since 1992. For more than the past five years, Mr. Chace has been Chairman of the Board of Directors of BankRI, a community bank located in the State of Rhode Island.

**WILLIAM H. GATES III**, age 50, has been a director of the Corporation since 2004. For more than the past five years, Mr. Gates has been Chairman of the Board of Directors of Microsoft Corporation, a software company. Mr. Gates was the Chief Executive Officer of Microsoft Corporation from its incorporation in 1981 until January 2000, and he has been its Chief Software Architect since January 2000.

**DAVID S. GOTTESMAN**, age 79, has been a director of the Corporation since 2003. For more than the past five years, he has been a principal of First Manhattan Co., an investment advisory firm.

**CHARLOTTE GUYMAN**, age 49, has been a director of the Corporation since 2003. Ms. Guyman was a general manager with Microsoft Corporation until July 1999 and has been retired since that time. She is currently a member of the Board of Directors of UW Medicine, an academic medical center, and serves as Chairman of its Finance Committee.

**DONALD R. KEOUGH**, age 79, has been a director of the Corporation 2003. For more than the past five years, he has been Chairman of Allen & Company, an investment banking firm. Mr. Keough currently is a director of Convera Corporation, InterActive Corp. and The Coca-Cola Company.

**CHARLES T. MUNGER**, age 82, has been a director and Vice Chairman of the Corporation's Board of Directors since 1978. Since 1984, he has been Chairman of the Board of Directors and Chief Executive Officer of Wesco Financial Corporation, approximately 80%-owned by the Corporation. He has also served as President of Wesco Financial Corporation since May 2005. Mr. Munger is also Chairman of the Board of Directors of Daily Journal Corporation and a director of Costco Wholesale Corporation.

**THOMAS S. MURPHY**, age 80, has been a director of the Corporation since 2003. Mr. Murphy has been retired since 1996. He was Chairman of the Board and Chief Executive Officer of Capital Cities/ABC, Inc. from 1966 to 1990 and from February 1994 until his retirement in 1996.

**RONALD L. OLSON**, age 64, has been a director of the Corporation since 1997. For more than the past five years, he has been a partner in the law firm of Munger, Tolles & Olson LLP. He is also a director of City National Corporation, Edison International and The Washington Post Company.

**WALTER SCOTT, JR.**, age 74, has been a director of the Corporation since 1988. For more than the past five years, he has been Chairman of the Board of Directors of Level 3 Communications, Inc., which is engaged in telecommunications and computer outsourcing and is a successor to certain businesses of Peter Kiewit Sons Inc. He is also a director of Burlington Resources Inc., Commonwealth Telephone Enterprises, Inc., Peter Kiewit Sons Inc. and Valmont Industries Inc.

The Board of Directors has concluded that the following directors are independent in accordance with the director independence standards of the New York Stock Exchange, and has determined that none of them has a material relationship with the Corporation which would impair his or her independence from management or otherwise compromise his or her ability to act as an independent director: Malcolm G. Chace; William H. Gates III; David S. Gottesman; Charlotte Guyman; Donald R. Keough; Thomas R. Murphy and Walter Scott, Jr.

In making its determination with respect to Mr. Scott, the Board considered his role as Chairman of the Board and the holder of 15.3% of the voting stock of MidAmerican Energy Holdings Company in which the Corporation owns approximately 80.5% (fully-diluted) of the voting stock. The Board also considered the agreement between the Corporation and Mr. Scott that requires Mr. Scott and his related family interests, before selling their MidAmerican shares, to give the Corporation the right of first refusal to purchase their shares (if the Corporation is legally permitted to buy them) or the opportunity to assign its right to purchase to a third party (if it is not legally permitted to buy them). That same agreement also gives Mr. Scott and his related family interests the right to put their shares to the Corporation (if the Corporation is legally permitted to buy them) at fair market value to be determined by independent appraisal if the sellers do not agree with the price offered by the Corporation, and payable at the sellers' option in cash or Berkshire shares. The Board considered these relationships in light of the attributes it believes need to be possessed by independent-minded directors, including personal financial substance and a lack of economic dependence on the Corporation, as well as business wisdom and ownership of Berkshire shares. The Board concluded that Mr. Scott's relationships, rather than interfering with his ability to be independent from management, are consistent with the business and financial substance that have made and continue to make him an independent board member.

Howard G. Buffett is the son of Warren Buffett. Ronald L. Olson is a partner of the law firm of Munger, Tolles & Olson LLP. Munger, Tolles & Olson LLP rendered legal services to the Corporation and its subsidiaries in 2005 and has been rendering services in 2006. The Corporation and its subsidiaries paid fees of \$11,595,672 to Munger, Tolles & Olson LLP during that firm's last fiscal year.

When the accompanying proxy is properly executed and returned, the shares it represents will be voted in accordance with the directions indicated thereon or, if no direction is indicated, the shares will be voted in favor of the election of the eleven nominees identified above. The Corporation expects each nominee to be able to serve if elected, but if any nominee notifies the Corporation before the annual meeting that he or she is unable to do so, then the proxies will be voted for the remainder of those nominated and, as designated by the directors, may be voted (i) for a substitute nominee or nominees, or (ii) to elect such lesser number to constitute the whole Board as equals the number of nominees who are able to serve.

#### ***Board of Directors Meetings, Committees, Directors Compensation and Nominations***

Board of Directors' actions were taken in 2005 at the Annual Meeting of Directors that followed the 2005 Annual Meeting of Shareholders and at two special meetings (one of which was a two day meeting held off site) and upon one occasion by directors' unanimous written consent. Each director attended all meetings of the Board and of the Committees of the Board on which he or she served except that Donald R. Keough and Malcolm G. Chace did not attend one of the special meetings of directors. Directors are encouraged but not required to attend annual meetings of the Corporation's shareholders. Except for David S. Gottesman, all directors of the Corporation at the date of the 2005 Annual Meeting of Shareholders attended that meeting.

The Board of Directors has established an Audit Committee in accordance with Section 3(a)(58)A of the Securities Exchange Act of 1934. The Audit Committee consists of Malcolm G. Chace, Charlotte Guyman and Thomas S. Murphy. The Board of Directors has determined that Mr. Murphy is an audit committee financial expert as that term is used in Item 401(h) of Regulation S-K promulgated under the Securities Exchange Act. All current members of the Audit Committee meet the criteria for independence set forth in Rule 10A-3 under the Securities Exchange Act and in Section 303A of the New York Stock Exchange Listed Company Manual. The Audit Committee assists the Board with oversight of a) the integrity of the Corporation's financial statements, b) the Corporation's compliance with legal and regulatory requirements and c) the qualifications and independence of the Corporation's independent public accountants and the Corporation's internal audit function. The Audit Committee meets periodically with the Corporation's independent public accountants, Director of Internal Audit and members of management and reviews the Corporation's accounting policies and internal controls. The Audit Committee also selects the firm of independent

public accountants to be retained by the Corporation to perform the audit. The Audit Committee held seven formal meetings during 2005. The Board of Directors adopted an Audit Committee Charter on April 29, 2000 and subsequently amended and restated the Charter on February 17, 2004. The amended Audit Committee Charter is available on Berkshire's website at [www.berkshirehathaway.com](http://www.berkshirehathaway.com).



On February 17, 2004, at a special meeting of the Board of Directors, the Board of Directors established a Governance, Compensation and Nominating Committee and adopted a charter to define and outline the responsibilities of its members. A copy of the Governance, Compensation and Nominating Committee charter is available on Berkshire's website at [www.berkshirehathaway.com](http://www.berkshirehathaway.com). The Governance, Compensation and Nominating Committee consists of David S. Gottesman, Donald R. Keough and Walter Scott, Jr., all of whom are independent directors in accordance with the New York Stock Exchange director independence standards.

The role of the Governance, Compensation and Nominating Committee is to assist the Board of Directors by a) recommending governance guidelines applicable to Berkshire; b) identifying, evaluating and recommending the nomination of Board members; c) setting the compensation of Berkshire's Chief Executive Officer and performing other compensation oversight; and d) assisting the Board with other related tasks, as assigned from time to time. The Governance, Compensation and Nominating Committee met once during 2005.

In identifying director nominees, the Governance, Compensation and Nominating Committee looks for individuals who have a meaningful interest in Berkshire stock, are shareholder-oriented and possess business savvy. With respect to the selection of director nominees at the 2006 Annual Meeting of Shareholders, the Governance, Compensation and Nominating Committee recommends the Board nominate the eleven directors currently serving on the Board.

Neither Berkshire nor its Governance, Compensation and Nominating Committee has a formal policy by which shareholders may recommend director candidates but the committee will consider appropriate candidates recommended by shareholders. A shareholder wishing to submit such a recommendation should send a letter to the Secretary of the Corporation at 1440 Kiewit Plaza, Omaha, NE 68131. The mailing envelope must contain a clear notation that the enclosed letter is a Director Nominee Recommendation. The letter must identify the author as a shareholder and provide a brief summary of the candidate's qualifications. At a minimum, candidates recommended for election to the Board of Directors must meet the independence standards of the New York Stock Exchange and the criteria used by the Governance, Compensation and Nominating Committee.

Directors of the Corporation or its subsidiaries who are employees or spouses of employees do not receive fees for attendance at directors' meetings. A director who is not an employee or a spouse of an employee receives a fee of \$900 for each meeting attended in person and \$300 for participating in any meeting conducted by telephone. A director who serves as a member of the Audit Committee receives a fee of \$1,000 quarterly. Directors are reimbursed for their out-of-pocket expenses incurred in attending meetings of directors or shareholders.

#### ***Governance, Compensation and Nominating Committee Interlocks and Insider Participation***

The Compensation Committee of our Board of Directors currently consists of Walter Scott, Jr., David S. Gottesman and Donald R. Keough. None of these individuals has at any time been an officer or employee of the Company. During 2005, none of our executive officers served as a member of the board of directors or compensation committee of any entity for which a member of our Board of Directors or Governance, Compensation and Nominating Committee has served as an executive officer.

#### ***Meetings of Non-Management Directors***

A meeting of non-management directors was held following the annual meeting of the full Board of Directors on May 2, 2005. Mr. Ronald L. Olson presided as ad hoc chair of the meeting. In addition, following that meeting, a meeting of directors determined to be independent was held. Mr. Walter Scott, Jr. presided as ad hoc chair of that meeting. A shareholder wishing to contact the non-management directors or independent directors, as applicable, should send a letter to the Secretary of the Corporation at 1440 Kiewit Plaza, Omaha, NE 68131. The mailing envelope must contain a clear notation that the enclosed letter is to be forwarded to the Corporation's non-management directors or independent directors, as applicable.

#### ***Shareholder Communications with the Board of Directors***

Shareholders who wish to communicate with the Board of Directors or a particular director may send a letter to the Secretary of the Corporation at 1440 Kiewit Plaza, Omaha, NE 68131. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Shareholder-Board Communication or Shareholder-Director Communication. All such letters must identify the author as a shareholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.



**Corporate Governance Guidelines**

The Board of Directors has adopted Corporate Governance Guidelines to promote effective governance of the Corporation. The Corporate Governance Guidelines are available on Berkshire's website at [www.berkshirehathaway.com](http://www.berkshirehathaway.com). A copy of the Corporate Governance Guidelines also may be obtained at no charge by written request to the attention of the Secretary of the Corporation at 1440 Kiewit Plaza, Omaha, NE 68131.

**Code of Business Conduct and Ethics**

The Corporation has adopted a Code of Business Conduct and Ethics for all Berkshire directors, officers and employees as well as directors, officers and employees of each of its subsidiaries. The Code of Business Conduct and Ethics is available on Berkshire's website at [www.berkshirehathaway.com](http://www.berkshirehathaway.com). A copy of the Code of Business Conduct and Ethics may be obtained at no charge by written request to the attention of the Secretary of the Corporation at 1440 Kiewit Plaza, Omaha, NE 68131.

**Executive Compensation**

The following table discloses the compensation received for the three years ended December 31, 2005 by the Corporation's Chief Executive Officer and its other executive officers.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Annual Compensation		All Other Compensation
		Salary	Bonus	
Warren E. Buffett Chief Executive Officer/ Chairman of the Board	2005	\$ 100,000		\$ 209,000 <sup>(2)</sup>
	2004	100,000		211,000 <sup>(2)</sup>
	2003	100,000		208,000 <sup>(2)</sup>
Marc D. Hamburg Vice President/Chief Financial Officer	2005	612,500		39,000 <sup>(3)</sup>
	2004	562,500		38,000 <sup>(3)</sup>
	2003	512,500		36,000 <sup>(3)</sup>
Charles T. Munger <sup>(1)</sup> Vice Chairman of the Board	2005	100,000		
	2004	100,000		
	2003	100,000		

<sup>(1)</sup> Mr. Munger is compensated by a Berkshire subsidiary.

<sup>(2)</sup> Represents the value of directors' fees received by Mr. Buffett in cash or deferred phantom equity interests from certain non-subsidiary companies in which Berkshire has significant investments.

<sup>(3)</sup> Represents contributions to a subsidiary's defined contribution plan in which Mr. Hamburg participates and directors' fees received by Mr. Hamburg from a Berkshire affiliate.

**Board of Directors Report on Executive Compensation**

Traditionally, Berkshire's program regarding compensation of its executive officers has been different from most public corporations' programs. Prior to the establishment of the Governance, Compensation and Nominating Committee on February 17, 2004, Mr. Buffett recommended to the Board of Directors the amount of his proposed remuneration and he set the remuneration of Berkshire's other executive officers (including both salary and bonus). Mr. Buffett has been paid an annual salary of \$100,000 for each of the last 25 years. Factors considered by Mr. Buffett were typically subjective, such as his perception of the individual's performance and any planned change in functional responsibility. Neither the profitability of the Corporation nor the market value of its stock were considered in setting executive officer remuneration (including both salary and bonus). Further, it has been the Corporation's policy that all compensation paid to its executive officers be deductible under Internal Revenue Code Section 162(m). The

Corporation's Governance, Compensation and Nominating Committee has adopted these compensation policies in determining the compensation for Mr. Buffett in 2005 and in making other recommendations to the Board.

Submitted by the members of the Governance, Compensation and Nominating Committee of the Board of Directors.

Walter Scott, Jr., Chairman

David S. Gottesman

Donald R. Keough

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**Independent Public Accountants**

Deloitte & Touche LLP ( Deloitte ) served as the Corporation's principal independent public accountants for 2005. Representatives from that firm will be present at the Annual Meeting of Shareholders, will be given the opportunity to make a statement if they so desire and will be available to respond to any appropriate questions.

The following table shows the fees paid or accrued for audit services and fees paid for audit related, tax and all other services rendered by Deloitte for each of the last two years (in millions):

	2005	2004
Audit Fees <sup>(a)</sup>	\$ 15.8	\$ 12.0
Audit Related Fees <sup>(b)</sup>	0.8	1.6
Tax Fees <sup>(c)</sup>	2.3	3.2
All Other Fees		
q	\$ 18.9 <sup>(d)</sup>	\$ 16.8 <sup>(d)</sup>

(a) *Audit fees include fees for the audit of the Corporation's consolidated financial statements and interim reviews of the Corporation's quarterly financial statements, audit services provided in connection with required statutory audits of many of the Corporation's insurance subsidiaries and certain of its non-insurance subsidiaries and comfort letters, consents and other services related to SEC matters.*

(b) *Audit related fees primarily include fees for certain audits of subsidiaries not required for purposes of Deloitte's audit of the Corporation's consolidated financial statements or for any other statutory or regulatory requirements, audits of certain subsidiary employee benefit plans and consultations on various accounting and reporting matters.*

(c) *Tax fees include fees for services relating to tax compliance, tax planning and tax advice. These services include assistance regarding federal, state and international tax compliance, tax return preparation and tax audits.*

(d) *The information presented herein excludes fees paid by MidAmerican Energy Holdings Company, which during 2005 and 2004 was a non consolidated subsidiary, in which Berkshire held a 80.5% economic interest. MidAmerican was billed by Deloitte approximately \$2.6 million and \$3.2 million for audit fees relating to its separate reporting requirements and \$0.3 million and \$0.5 million for audit related and tax services, in each case for the years ending December 31, 2005 and 2004, respectively.*

The services performed by Deloitte in connection with engagements subsequent to May 5, 2003, were pre-approved in accordance with the pre-approval policy adopted by the Audit Committee on May 5, 2003. The pre-approval policy is included herein as Exhibit A.

**Report of the Audit Committee**

March 1, 2006

To the Board of Directors of Berkshire Hathaway Inc.

We have reviewed and discussed the consolidated financial statements of the Corporation and its subsidiaries to be set forth in the Corporation's 2005 Annual Report to Shareholders and at Item 8 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005 with management of the Corporation and Deloitte & Touche LLP, independent public accountants for the Corporation.

We have discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, Statement on Auditing Standards No. 99, Consideration of Fraud in a Financial Statement Audit and Securities and Exchange Commission rules regarding auditor independence discussed in Final SEC Releases Nos. 33-8183 and 33-8183a.

We have received the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees and have discussed with Deloitte & Touche LLP its independence from the Corporation.

Based on the review and discussions with management of the Corporation and Deloitte & Touche LLP referred to above, we recommend to the Board of Directors that the Corporation publish the consolidated financial statements of the Corporation and subsidiaries for the year ended December 31, 2005 in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005 and in the Corporation's 2005 Annual Report to Shareholders.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles; that is the responsibility of management and the Corporation's independent public accountants. In giving its recommendation to the Board of Directors, the Audit Committee has relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles and (ii) the reports of the Corporation's independent public accountants with respect to such financial statements.

Submitted by the members of the Audit Committee of the Board of Directors.

Thomas S. Murphy, Chairman

Malcolm G. Chace

Charlotte Guyman

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***Stock Performance Graph***

The following chart compares the subsequent value of \$100 invested in Berkshire common stock on December 31, 2000 with a similar investment in the Standard and Poor's 500 Stock Index and in the Standard and Poor's Property Casualty Insurance Index.\*\*

**Comparison of Five Year Cumulative Return\***

\* *Cumulative return for the Standard and Poor's indices based on reinvestment of dividends.*

\*\* *It would be difficult to develop a peer group of companies similar to Berkshire. The Corporation owns subsidiaries engaged in a number of diverse business activities of which the most important is the property and casualty insurance business and, accordingly, management has used the Standard and Poor's Property Casualty Insurance Index for comparative purposes.*

***Section 16(a) Beneficial Ownership Reporting Compliance***

Section 16(a) of the Securities Exchange Act of 1934 requires the Corporation's officers and directors, and persons who own more than ten percent of a registered class of the Corporation's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and greater than ten-percent shareholders are required by SEC regulation to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it, and written representations from certain reporting persons that no Section 16(a) forms were required for those persons, the Corporation believes that during 2005 all filing requirements applicable to its officers, directors, and greater than ten-percent shareholders were complied with except that a Form 4 filed by Charlotte Guyman on March 11, 2005 was filed two days late and a transaction included on a Form 4 filed by Malcolm G. Chace on June 6, 2005 was reported one day late.

**Security Ownership of Certain Beneficial Owners and Management**

Warren E. Buffett, whose address is 1440 Kiewit Plaza, Omaha, NE 68131, is a nominee for director and the only person known to the Corporation to be the beneficial owner of more than 5% of the Corporation's Class A or Class B Stock. Beneficial ownership of the Corporation's Class A and Class B Stock on February 28, 2005 by Mr. Buffett and by any other executive officers and directors of the Corporation who own shares is shown in the following table:

Name	Title of Class	Shares Beneficially Owned <sup>(1)</sup>	Percentage of Outstanding Stock of Respective Class <sup>(1)</sup>	Percentage of Aggregate Voting Power of Class A and Class B <sup>(1)</sup>	Percentage of Aggregate Economic Interest of Class A and Class B <sup>(1)</sup>
Warren E. Buffett	Class A	498,320 <sup>(2)</sup>	39.5		
	Class B	177 <sup>(2)</sup>	*	38.3 <sup>(3)</sup>	32.3
Howard G. Buffett	Class A	1,446 <sup>(4)</sup>	0.1		
	Class B	69 <sup>(4)</sup>	*	0.1	0.1
Malcolm G. Chace	Class A	1,499 <sup>(5)</sup>	0.1		
	Class B	64 <sup>(5)</sup>	*	0.1	0.1
William H. Gates III	Class A	4,350 <sup>(6)</sup>	0.3		
	Class B			0.3	0.3
David S. Gottesman	Class A	16,946 <sup>(7)</sup>	1.3		
	Class B	38,639 <sup>(7)</sup>	0.5	1.3	1.2
Charlotte Guyman	Class A	100	*		
	Class B	12	*	*	*
Donald R. Keough	Class A	70 <sup>(8)</sup>	*		
	Class B		*	*	*
Charles T. Munger	Class A	15,811	1.3		
	Class B		*	1.2	1.0
Thomas S. Murphy	Class A	1,137	0.1		
	Class B	22	*	0.1	*
Ronald L. Olson	Class A	269 <sup>(9)</sup>	*		
	Class B	300	*	*	*
Walter Scott, Jr.	Class A	100 <sup>(10)</sup>	*		
	Class B		*	*	*
Directors and executive officers as a group	Class A	540,048	42.8		
	Class B	39,283	0.5	41.5	35.1

\* less than 0.1%.

<sup>(1)</sup> Beneficial owners exercise both sole voting and sole investment power unless otherwise stated. Each share of Class A Stock is convertible into thirty shares of Class B Stock at the option of the shareholder. As a result, pursuant to Rule 13d-3(d)(1) of the Securities Exchange Act of 1934, a shareholder is deemed to have beneficial ownership of the shares of Class B Stock which such shareholder may acquire upon conversion of the Class A Stock. In order to avoid overstatement, the amount of Class B Stock beneficially owned does not take into account



*such shares of Class B Stock which may be acquired upon conversion (an amount which is equal to 30 times the number of shares of Class A Stock held by a shareholder). The percentage of outstanding Class B Stock is based on the total number of shares of Class B Stock outstanding as of March 8, 2006 and does not take into account shares of Class B Stock which may be issued upon conversion of Class A Stock.*

- (2) Includes 474,998 Class A shares owned directly and beneficially by Warren E. Buffett, and 23,322 Class A shares and 177 Class B shares owned by the estate of Susan T. Buffett of which Mr. Buffett is the executor but with respect to which Mr. Buffett disclaims any beneficial interest.*
- (3) Mr. Buffett has entered into a voting agreement with Berkshire providing that, should the combined voting power of Berkshire shares as to which Mr. Buffett has or shares voting and investment power exceed 49.9% of Berkshire's total voting power, he will vote those shares in excess of that percentage proportionately with votes of the other Berkshire shareholders.*
- (4) Includes 1,436 Class A shares and 20 Class B shares held by a private foundation and for which Mr. Buffett possesses voting and investment power but with respect to which Mr. Buffett disclaims any beneficial interest.*
- (5) Includes 1,286 Class A shares and 28 Class B shares held by various trusts and partnerships of which Mr. Chace is a trustee or a limited partner and possesses shared voting and investment power. Does not include 54 Class A shares owned by Mr. Chace's wife.*
- (6) Includes 4,050 shares held by a single-member limited liability company of which Mr. Gates is the sole member.*
- (7) Includes 9,855 Class A shares and 36,054 Class B shares as to which Mr. Gottesman or his wife has shared voting power and 9,178 Class A shares and 38,130 Class B shares as to which Mr. Gottesman or his wife has shared investment power. Mr. Gottesman has a pecuniary interest in 10,022 Class A shares included herein.*
- (8) Does not include 8 Class A shares owned by Mr. Keough's wife.*
- (9) Includes 164 Class A shares held by three trusts for which Mr. Olson is sole trustee but with respect to which Mr. Olson disclaims any beneficial interest.*
- (10) Does not include 10 Class A shares owned by Mr. Scott's wife.*

## 2. OTHER MATTERS

As of the date of this statement your management knows of no business to be presented to the meeting that is not referred to in the accompanying notice other than the approval of the minutes of the last Annual Meeting of Shareholders, which action will not be construed as approval or disapproval of any of the matters referred to in such minutes. As to other business that may properly come before the meeting, it is intended that proxies properly executed and returned will be voted in respect thereof at the discretion of the person voting the proxies in accordance with his or her best judgment, including upon any shareholder proposal about which the Corporation did not receive timely notice.

### *Annual Report*

The Annual Report to the Shareholders for 2005 accompanies this proxy statement, but is not deemed a part of the proxy soliciting material.

**A copy of the 2005 Form 10-K report as required to be filed with the Securities and Exchange Commission, excluding exhibits, will be mailed to shareholders without charge upon written request to: Forrest N. Krutter, Secretary, Berkshire Hathaway Inc., 1440 Kiewit Plaza, Omaha, NE 68131. Such request must set forth a good-faith representation that the requesting party was either a holder of record or a beneficial owner of Class A or Class B Stock of the Corporation on March 8, 2006. Exhibits to the Form 10-K will be mailed upon similar request and payment of specified fees. The 2005 Form 10-K is also available through the Securities and Exchange Commission's World Wide Web site ([www.sec.gov](http://www.sec.gov)).**

### *Proposals of Shareholders*

Any shareholder proposal intended to be considered for inclusion in the proxy statement for presentation at the 2007 Annual Meeting must be received by the Corporation by November 18, 2006. The proposal must be in accordance with the provisions of Rule 14a-8 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. It is suggested the proposal be submitted by certified mail return receipt requested. Shareholders who intend to present a proposal at the 2007 Annual Meeting without including such proposal in the Corporation's proxy statement must provide the Corporation notice of such proposal no later than February 1, 2007. The Corporation reserves the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

By order of the Board of Directors

*Omaha, Nebraska  
March 17, 2006*

FORREST N. KRUTTER, *Secretary*

**Berkshire Hathaway Inc.**  
**Audit Committee**  
**Audit and Non-Audit Services Pre-Approval Policy**  
**As Adopted on May 5, 2003**

**I. Statement of Principles**

Under the Sarbanes-Oxley Act of 2002, the Audit Committee of the Board of Directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence from the Company.

As set forth in this Policy, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the independent auditor. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee.

The appendices to this Policy describe the Audit, Audit-related, Tax and All Other services that have the general pre-approval of the Audit Committee. The term of any general pre-approval is 12 months from the date of pre-approval, unless the Audit Committee considers a different period and states otherwise. The Audit Committee will annually review and pre-approve the services that may be provided by the independent auditor without obtaining specific pre-approval from the Audit Committee. The Audit Committee will revise the list of general pre-approved services from time to time, based on subsequent determinations.

The purpose of this Policy is to set forth the procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee's responsibilities to pre-approve services performed by the independent auditor to management.

The independent auditor has reviewed this Policy and believes that implementation of the policy will not adversely affect the auditor's independence.

**II. Delegation**

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

**III. Audit Services**

The annual Audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. The Audit Committee will approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other items.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval to other Audit services, which are those services that only the independent auditor reasonably can provide. The Audit Committee has pre-approved the Audit services in Appendix A. All other Audit services not listed in Appendix A must be specifically pre-approved by the Audit Committee.

**IV. Audit-related Services**

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent auditor. The Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor, and has pre-approved Audit-related services in Appendix A. All other Audit-related services not listed in Appendix A must be specifically pre-approved by the Audit Committee.

**V. Tax Services**

The Audit Committee believes that the independent auditor can provide Tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance



and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee has pre-approved the Tax services in Appendix A. All Tax services involving large and complex transactions not listed in Appendix A must be specifically pre-approved by the Audit Committee.

**VI. All Other Services**

All Other permissible services not listed in Appendix A must be specifically pre-approved by the Audit Committee. A list of the SEC's prohibited non-audit services is included in Appendix A. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

**VII. Pre-Approval Fee Levels**

Pre-approval fee levels for all services to be provided by the independent auditor will be established annually by the Audit Committee. Any proposed services exceeding these levels or amounts will require specific pre-approval by the Audit Committee.

**VIII. Procedures**

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the independent auditor and the Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

All requests or applications for services to be provided by the independent auditor that do not require specific approval by the Audit Committee will be submitted to the Chief Financial Officer and must include a detailed description of the services to be rendered. The Chief Financial Officer will determine whether such services are included within the list of services that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the independent auditor.

Appendix A

**Pre-Approved Audit Services**

Statutory audits or financial audits for subsidiaries or affiliates of the Company

Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters

Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may be audit-related services rather than audit services)

**Pre-Approved Audit-Related Services**

Due diligence services pertaining to potential business acquisitions/dispositions

Financial statement audits of employee benefit plans

Agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters

Internal control reviews and assistance with internal control reporting requirements

Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be audit services rather than audit-related services)

Attest services not required by statute or regulation

Statutory, subsidiary or equity investee audits incremental to the audit of the consolidated financial statements

**Pre-Approved Tax Services**

U.S. federal, state and local tax planning and advice

U.S. federal, state and local tax compliance

International tax planning and advice

International tax compliance

Review of federal, state, local and international income, franchise, and other tax returns

**Prohibited Non-Audit Services**

Bookkeeping or other services related to the accounting records or financial statements

Financial information systems design and implementation

Appraisal or valuation services, fairness opinions or contribution-in-kind reports

Actuarial services

Internal audit outsourcing

Management functions

Human Resource functions

Broker or dealer, investment adviser or investment banking services

Legal services

Expert services

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**BERKSHIRE HATHAWAY INC.**  
**Annual Meeting of Shareholders to be held on May 6, 2006**  
**This Proxy is Solicited on Behalf of the Board of Directors**

The undersigned hereby appoints Marc D. Hamburg and Walter Scott, Jr., or either of them, as proxies, with power of substitution to each proxy and substitute, to vote the Class A Common Stock (CLA) and Class B Common Stock (CLB) of the undersigned at the 2006 Annual Meeting of Shareholders of Berkshire Hathaway Inc. and at any adjournment thereof, as indicated on the reverse hereof on the proposal for Election of Directors and as said proxies may determine in the exercise of their best judgment on any other matters which may properly come before the meeting.

**IF PROPERLY EXECUTED AND RETURNED, THIS PROXY WILL BE VOTED AS SPECIFIED OR, IF NOT SPECIFIED, WILL BE VOTED FOR ELECTING ALL NOMINEES.**

**PLEASE SIGN ON REVERSE SIDE AND MAIL PROMPTLY  
IN THE ENCLOSED ENVELOPE**

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SIDE

SEE REVERSE  
SIDE

x **Please mark  
votes as in  
this example.**

**The Board Recommends a Vote For Item 1.**

1. Election of Directors

**Nominees:** Warren E. Buffett, Charles T. Munger, Howard G. Buffett, Malcolm G. Chace, William H. Gates III, David S. Gottesman, Charlotte Guzman, Donald R. Keough, Thomas S. Murphy, Ronald L. Olson and Walter Scott, Jr.

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**ALL                                      FROM ALL**



**NOMINEES**

**NOMINEES**

**Please sign exactly as your name appears. If acting as attorney, executor, trustee or in representative capacity, sign name and title.**

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**For, except vote withheld from the above nominee(s).**

**Signature:**

**Date**

**Signature:**

**Date**