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June 26, 2006

Mr. Peter A. Buffett  
NoVo Foundation

Dear Peter:

I am enormously proud of the way in which you have managed the resources of the foundation that Mom and I established for you. Your thinking has been good, and your actions have been effective in helping those less fortunate than our family has been. Therefore, I want to make annual contributions of Berkshire shares to the NoVo Foundation (“NoVo”) that will allow you to substantially expand your activities.

I am by this letter making a lifetime pledge to NoVo conditioned on two factors. The first is that you remain alive and active in the foundation’s activities. The second is that NoVo must continue to satisfy legal requirements qualifying my gifts as charitable and not subject to gift or other taxes.

Here are the mechanics of my pledge: 350,000 B shares will be earmarked by me for NoVo contributions. (I currently own only A shares but will soon convert a number of these to B.) In July of every year, beginning next month, 5% of the balance of the earmarked shares will be contributed to NoVo. To illustrate, in 2006, 17,500 shares (currently worth more than \$50 million) will be contributed. In 2007, 16,625 shares (5% of the 332,500 remaining after the 2006 contribution) will be contributed and thereafter 5% fewer shares will be contributed each year.

The value of Berkshire shares will, of course, vary from year to year. And, as noted, the number of shares NoVo receives will diminish by 5% per year. Nevertheless, I believe that you can reasonably expect the value of the Berkshire shares you will receive to increase, in an irregular manner, by an amount that more than compensates for the decline in the number of shares you will be receiving. Over time, the increase may be substantial.

Mike Sorrell tells me that I am in excellent health, and I certainly feel that I am. If I should become incapacitated, however, and be unable to administer my affairs, I direct whoever is handling my affairs to honor the commitment I am making in this letter. Additionally, I will soon write a new will that will provide for a continuance of this commitment – by distribution of the remaining earmarked shares or in some other manner – after my death.

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I regard Berkshire as an ideal asset to underpin the long-term well-being of a foundation. The company has a multitude of diversified and powerful streams of earnings, Gibraltar-like financial strength, and a deeply-imbedded culture of acting in the best interests of shareholders. Outstanding managers are available to succeed me. I expect Berkshire to become ever-stronger and more profitable as it makes new acquisitions and expands present businesses.

A couple of thoughts (but *not* directives): Focus the new funds and your energy on a relatively few activities in which NoVo can make an important difference. Concentrate your resources on needs that would not be met without your efforts. Conversely, avoid making small contributions to the multitude of worthwhile activities that have many possible funders and that would likely proceed without your help. Consider working with your siblings on important projects. Pay attention to your home community but favor a broader view. Judge programs by how they fit with your goals and their chances for success, not by who makes the request. Expect to make some mistakes; nothing important will be accomplished if you make only “safe” decisions.

NoVo does not necessarily need to spend each annual inflow in the year in which it is received. You can build up resources while you gain experience and develop long-range goals. But, since you will be receiving gifts annually, there is no need for you to build large reserves.

I consider myself lucky to have three children who want to spend much of their time and energy in working on projects that will benefit others. I am proud of what you are doing, and your mother would be proud as well.

Love,