



**Important Information About
The Lubrizol Corporation Pension Plan
Notice of Pension Plan Consolidation and Other Plan Changes
October 2018**

The information below is intended for participants, beneficiaries, and alternate payees who are covered by The Lubrizol Corporation Pension Plan.

PLAN CONSOLIDATION

We are pleased to announce an upcoming change to The Lubrizol Corporation Pension Plan (the "LZ Pension Plan") that will provide the opportunity to enhance participant services and streamline plan administration. Effective as of close of business on December 31, 2018, the LZ Pension Plan will be consolidated with pension plans sponsored by other Berkshire Hathaway companies. The consolidated plan operates under a single plan with centralized administration.

- The consolidated plan is the **Berkshire Hathaway Consolidated Pension Plan (the "BHCPP")**.
- **Northern Trust Company** is trustee of the BHCPP.
- **Berkshire Hathaway Credit Corporation** is the plan sponsor of the BHCPP.

What's *Not* Changing

The consolidation of the LZ Pension Plan into the BHCPP will not cause you to lose any benefits you have already earned. Although Berkshire Hathaway Credit Corporation is the designated plan sponsor, ***we remain your primary point of contact on pension plan matters.*** Payment elections, beneficiary designations, and qualified domestic relations orders will remain in effect under the BHCPP. Additionally, your pension plan benefits continue to be insured by the federal Pension Benefit Guaranty Corporation.

What To Expect

- ***If you are currently receiving benefit payments***

If you are currently receiving benefit payments from the LZ Pension Plan, you will receive your monthly pension benefit payments, uninterrupted, from the BHCPP starting with the first monthly payment on or after January 1, 2019. No action is required on your part. Your monthly benefit payments will be made by Northern Trust Company. Please see the last page of this communication for more information about the transition of monthly benefit payments to Northern Trust.

- ***If you are not currently receiving benefit payments***

If you have not yet started receiving benefit payments, you remain eligible to receive your pension benefit from the BHCPP at the same time and with the same payment options as currently provided for in the LZ Pension Plan.

To comply with IRS rules, however, there will be an adjustment to the methodology for determining the interest rates that are used to calculate the required minimum value of any lump sum payments. Going forward, the interest rates used for this purpose for a calendar year will be the interest rates prescribed by the IRS for October of the preceding year instead of August of the preceding year. This adjustment is needed so that the same methodology applies under the entire BHCPP. Please review **Adjustment to Methodology for Determining Interest Rates** on page 3 for more information about this change.

All rights under The Lubrizol Corporation Pension Plan and the Berkshire Hathaway Consolidated Pension Plan are governed by the provisions of the official plan documents. In the event of any discrepancy between the information in this notice and the official plan documents, the provisions in the official plan documents will control. The official plan documents may be amended, modified, or terminated, in whole or in part, at any time, with or without notice.

OTHER CHANGES

The definition of “Basic Compensation” in the LZ Pension Plan will change effective December 31, 2018, to exclude from the definition Lubrizol long-term disability benefits for periods after December 31, 2018. Please review **Exclusion of Long-Term Disability Benefits from “Basic Compensation” Definition** on page 3 for more information about this change.

Questions

If you have any questions, please contact Lubrizol Retirement Plans Administration at lzretirementplans@Lubrizol.com or by calling (440) 347-1122.

Adjustment to Methodology for Determining Interest Rates

Lump Sum Payment Option

Under the LZ Pension Plan, pension benefits are payable at your election in a single lump sum payment. In general, the amount of a lump sum payment cannot be less than the value that is determined, in part, by using IRS-prescribed interest rates under Internal Revenue Code section 417(e)(3).

Currently, under the LZ Pension Plan, the IRS-prescribed interest rates used to calculate lump sum payments in a calendar year are the IRS-prescribed interest rates for the preceding **August**. For example, lump sum payments for calendar year 2018 are based on the IRS-prescribed interest rates published for August 2017.

Under the BHCPP, lump sum payments after 2018 will be calculated the same way, but they will be based on the IRS-prescribed interest rates for **October**. For the 2019 calendar year only, there will be a one-time transition period. From January 1, 2019 through December 31, 2019, if you receive your pension benefit in a lump sum payment, your lump sum will be determined using either the IRS-prescribed interest rates for August 2018 or the IRS-prescribed interest rates for October 2018, whichever produces the larger amount. Beginning in 2020, lump sum payments will be determined using only the rates published for the preceding October.

The IRS updates the prescribed interest rates on a monthly basis. As a result, the potential impact of the change in methodology cannot be predicted, as it will depend on future changes in the IRS-prescribed interest rates from August to October. In general, lower interest rates produce higher lump sums and vice versa. This means, for example, that for the one-time transition period described above, if the August rates are lower than the October rates in 2018, then the 2019 lump sum would be based on the August rates, because that will produce the higher lump sum amount. If instead the October rates are lower than the August rates in 2018, then the 2019 lump sum would be based on the October rates, which will produce the larger lump sum.

Exclusion of Long-Term Disability Benefits from “Basic Compensation” Definition

The benefit you earn as a participant in the LZ Pension Plan (and after the consolidation of the LZ Pension Plan into the BHCPP [the “Consolidation”]) is based in part on your “Basic Compensation” as defined in the LZ Pension Plan (and after the Consolidation, the BHCPP). Currently, Basic Compensation under the LZ Pension Plan includes, among other items of compensation, Lubrizol disability benefits to which an employee is entitled under the 60% default option of a Lubrizol long-term disability program. For plan years starting January 1, 2019 and thereafter, the definition of “Basic Compensation” will no longer include these long-term disability benefits. Therefore, if your ongoing accrual under the LZ Pension Plan is due exclusively to your receipt of benefits under a Lubrizol long-term disability plan, your accrual will stop entirely effective at the close of business on December 31, 2018 (although you will receive an accrual with respect to the 2018 Plan Year). If, in addition to your receipt of Lubrizol long-term disability benefits you receive other compensation that is considered Basic Compensation, then, starting in 2019, you will accrue a BHCPP benefit with respect to that other compensation, but not with respect to your Lubrizol long-term disability benefits.

For example, if you receive a 60% disability benefit from a Lubrizol long-term disability plan equal to \$50,000 in the calendar year 2018, you will earn a pension benefit under the LZ Pension Plan with respect to that amount (and any other items of Basic Compensation you earn during 2018). Starting in 2019 and going forward, if you receive the same disability benefit amount from a Lubrizol long-term disability plan, you will not earn any benefit under the BHCPP with respect to that Lubrizol long-term disability benefit amount. Although you will not accrue a BHCPP benefit with respect to your Lubrizol long-term disability benefits starting in 2019, you will continue to accrue a BHCPP benefit for any other Basic Compensation you may receive. For instance, if you earned \$45,000 in salary prior to your long-term disability leave of absence from Lubrizol, and in the same year you received a Lubrizol 60% disability benefit of \$9,000, you will accrue a BHCPP benefit with respect to the \$45,000 you received as salary, but not with respect to the \$9,000 you received in Lubrizol long-term disability benefits.

The above information is being provided in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Please note that the exclusion of Lubrizol long-term disability benefits from the definition of “Basic Compensation” will not reduce any benefit you earned under the LZ Pension Plan with respect to your Lubrizol long-term disability benefit for any period prior to 2019.

Transition of Monthly Pension Benefit Payments to Northern Trust

(for participants currently receiving monthly benefit payments)

Effective December 31, 2018, The Lubrizol Corporation is consolidating The Lubrizol Corporation Pension Plan with certain other pension plans sponsored by Berkshire Hathaway companies. As a result, if you are currently receiving monthly pension benefit payments your January 2019 benefit payment and all subsequent benefit payments will be issued by Northern Trust.

The following provides general information regarding the transition of your monthly benefit payments to Northern Trust. **You do not need to take any action in order for your payments to continue. If you need to change your address or payment information prior to the January payment, please contact your current Plan Administrator.**

If your monthly payments are being transmitted to your bank via Electronic Fund Transfer (EFT), a pre-note (test) will be sent sometime during the month prior to the first payable date. Based on your bank's EFT procedures, the pre-note may be reflected as a credit of \$0.00 on your monthly statement. This test is necessary to ensure acceptance by your bank of your January payment from Northern Trust.

Commencing January 1, 2019 you may contact Northern Trust regarding the following matters:

- Non-receipt of your monthly pension payment or lost pension check;
- Change to your address;
- Change to your federal or state tax withholding amounts; or
- Initiation or change in direct deposit information ***(please send in writing)***.

Northern Trust's address is as follows:

The Northern Trust Company
Benefit Payment Services
50 South LaSalle Street C2N
Chicago, Illinois 60603
Phone: 888-426-3076

Due to the change in providers, you may notice a slight difference in federal and state tax withholding amounts. Upon receipt of your first payment, you may contact Northern Trust if you'd like to make a change to your election(s) or complete the withholding form included with your monthly payments.

In addition, every payment mailed to you has a form to change your address, direct deposit information or tax withholding. Please complete the appropriate form only if you need to make changes and return to Northern Trust at the above address. You can expect your change to be made within 30 days of receipt.

Every effort is being made to make this change as transparent as possible to you. If you have any questions, please feel free to contact Lubrizol Retirement Plans Administration at lzretirementplans@Lubrizol.com or by calling (440) 347-1122.