



401(k) PLAN FOR SALARIED EMPLOYEES - VANGUARD (BNSF INVESTMENT AND RETIREMENT PLAN)



WE ARE BNSF.

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**SUPPLEMENT TO THE BURLINGTON NORTHERN SANTA FE INVESTMENT AND
RETIREMENT PLAN SUMMARY PLAN DESCRIPTION**

BURLINGTON NORTHERN SANTA FE (BNSF) INVESTMENT AND RETIREMENT PLAN [401(K) PLAN FOR SALARIED EMPLOYEES – VANGUARD]

The Big Picture

An Overview of the 401(k) Plan for Salaried Employees

Effective April 1, 2019

HOW THE PLAN WORKS IN BRIEF

You and BNSF: Investing in Your Future

BNSF's 401(k) Plan for [salaried employees](#) forms an active partnership between you and the company to build retirement income resources throughout your career:

- ▶ **BNSF Core Contributions** – Depending on your age and service with the company,¹ BNSF makes Core Contributions to your 401(k) Plan account of 3%, 4% or 5% of your base pay and any Incentive Compensation Plan (ICP) awards you receive.
- ▶ **Your Contributions** – You have the flexibility to set aside up to 25% from today's pay and ICP awards to further build toward tomorrow's financial goals. That flexibility includes your choice of contributing from before-tax pay, which reduces your current income taxes and allows you to save more of your pay. You can also contribute after-tax pay, either as [Roth contributions](#) or [non-Roth contributions](#).
- ▶ **BNSF Matching Contributions** – BNSF rewards your saving efforts by adding a \$0.75 matching contribution for every \$1 of [before-tax](#) and/or [Roth](#) contributions you make from the first 6% of your base salary² and, if you

Defined terms: For the meaning of terms in [blue](#), click to see the Defined Terms section.

Links: Click on [blue italic](#) items to link directly the section indicated.



Previous view: Return to your previous page by right clicking and selecting the "previous view" option. To add the handy "previous view" button to your toolbar, open your Adobe Reader tools and select Page Navigation, then Previous View.

choose, of your ICP awards. That amounts to an immediate return on the investments you make in your own financial security. [Non-Roth after-tax contributions](#) are not matched.

You Direct the Investment of Your Account

You choose how you want all your 401(k) money invested among more than 20 investment alternatives, including a variety of professionally managed mutual funds and the Berkshire Hathaway Class B Stock Fund ("BRK Class B Stock Fund"). Investment options are selected and regularly reviewed by the BNSF Employee Benefits Committee. Vanguard, the Plan recordkeeper, offers you a broad array of

¹ Employees of BNSF Logistics participate in all aspects of the Plan except Core Contributions.

² And overtime pay, sales commissions and similar sales-based compensation, if applicable.

easy-to-understand investment information, useful tools and telephone assistance to help with deciding how much you should be contributing and how you should be investing that money to meet your retirement income goals.

Accessing Your Funds Before Retirement

While the Plan's goal is to help you build financial resources for your retirement years, there are limited ways to access money in your account before retirement, such as [loans](#) and [withdrawals](#).

Survivor Benefit

If you die, 100% of your account value is paid to the [beneficiary](#) you have designated, or to your [spouse](#) or estate if your beneficiary does not survive you.

Portability and Vesting

- ▶ You always have 100% ownership in the contributions you make and any related investment earnings.

- ▶ You become 100% [vested](#) (gain ownership) in BNSF's Core Contributions and any related earnings after three years of BNSF service.
- ▶ You become vested in any BNSF Matching Contributions, and any related earnings, based on your BNSF service at the rate of 20% per year. You are 100% vested after five years of BNSF service or earlier if you reach age 65, become [disabled](#) or die.
- ▶ "Service" includes your eligible time as a [salaried employee](#) or as a [non-salaried](#) ("scheduled") employee who moves into a salaried position. It also includes prior service of rehired employees, as [defined by the Plan](#).
- ▶ The vested value of your account is yours to take with you when you retire or otherwise leave BNSF.

PURPOSE OF THIS SPD

This is the Summary Plan Description (SPD) explaining the main features of the BNSF Investment and Retirement Plan, also referred to in this document as the 401(k) Plan for [salaried employees](#), the 401(k) Plan or the Plan. Except as otherwise noted, this SPD describes the Plan in effect as of April 1, 2019.

Your "User's Guide"

The SPD is a detailed guide to understanding and effectively using your BNSF 401(k) retirement benefits. As with most other tools, the better you understand how benefits work, the better you'll know how to use these "life tools" for meeting many personal and family priorities.

Improving Your Benefits "Mileage"

Just as your vehicle owner's manual provides tips for maintaining your investment and maximizing its efficiency, this SPD includes information for getting the most from your BNSF 401(k) benefits.

Keep in mind that some of the information is complex because of the technical nature of the

subject matter and the legal aspects. You are welcome to call Vanguard at 800-523-1188 if you have questions.

The Fine Print

The Plan is fully described in a legal Plan Document. It is the intent of this SPD to describe accurately the benefits and related provisions of the Plan. However, if there is any inconsistency between this SPD and the Plan Document, the terms of the Plan Document govern. A copy of the complete Plan Document is available from the BNSF Benefits Help Line at 800-234-1283, option 6.

The Plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 ([ERISA](#)) and related U.S. Department of Labor Regulations. Under these rules, you are responsible for any losses directly resulting from your particular investment decisions, such as losses due to the performance of a particular fund in which you elect to invest.

PARTICIPATING IN THE PLAN

Who Is Eligible?

All [salaried employees](#) of Burlington Northern Santa Fe, LLC, BNSF Railway Company, Los Angeles Junction Railway Company, Western Fruit Express Company, BNSF Logistics, LLC and any other [affiliated companies](#) that adopt the Plan are eligible to participate in the Plan if they are regularly assigned to a salaried position according to the employment records of BNSF and if they meet the participation requirements summarized below.

Excluded employees include leased or contract employees and employees covered under a collective bargaining agreement that does not provide for their participation in the Plan.

When Does Participation Start? (Account Set-Up)

From Day 1

If you are an eligible [employee](#), you will begin participating in the BNSF Investment and Retirement [401(k)] Plan on your first day of work.

- ▶ BNSF will begin making Core Contributions with your first paycheck.
- ▶ In addition, you will be enrolled automatically³ to contribute 6% of your before-tax base salary and any overtime pay on or around 30 days after your salaried hire date. This ensures you receive BNSF's maximum matching contribution rate on your base pay without delay. Contributions will be directed to the Plan's [default investment alternative until you choose how you want your account invested](#).
- ▶ You will need to set up your account with Vanguard, the Plan recordkeeper. Within two to three weeks of your salaried hire date, Vanguard will send you enrollment information. By separate mailing, you'll also receive a Vanguard VOICE™ personal identification number (PIN) for phone transactions.

Shortly after you complete your account set-up, you'll be able to access your account online or by phone and choose how the money is invested – even BNSF's contributions.

By contacting Vanguard at any time, you may choose to:

- ▶ Increase, decrease or stop your per-pay-period contributions,
- ▶ Elect to make contributions from any Incentive Compensation Plan (ICP) awards,
- ▶ Change whether contributions are deducted on a before-tax, Roth and/or non-Roth after-tax basis,
- ▶ Change how future contributions and/or current balances are invested, and
- ▶ Designate a your [beneficiary](#) or change a prior designation.

You must contact Vanguard if you want to make contributions from any ICP awards and receive the related company Matching Contributions.

³ Automatic enrollment applies to employees in salary bands 33 and below who are first-time salaried hires, salaried rehires and those who transfer from a scheduled to a salaried position. However, if a scheduled employee transfers to a salaried position and was a salaried employee at some time in the past, automatic enrollment does not apply.

You may also opt out of automatic enrollment in employee contributions before it takes effect by contacting Vanguard *within 30 days of your salaried hire date*. While you may opt out at any time, contacting Vanguard within 30 days will prevent any contributions from being withheld from your pay. BNSF will continue to make Core Contributions to your account.

Your elections will begin with the next feasible payroll cycle.

How to Contact Vanguard

- ▶ **By phone** – Call Vanguard at 800-523-1188, Monday through Friday, 7:30 a.m. to 8 p.m., Central time. **You will need the Vanguard VOICE™ PIN that was mailed to you** in Vanguard's enrollment kit when calling the first time.
- ▶ **Online** – Go to vanguard.com/enroll when making elections for the first time or if you want to opt out of automatic enrollment in employee contributions. **You must provide BNSF's Plan number 091565**, but you will not need your PIN. Once you have registered for your online account, use vanguard.com/retirementplans for future visits and transactions.

Name a Beneficiary to Receive Your Account

Be sure to name your **beneficiary** (or beneficiaries) when enrolling in the Plan. ***If you are enrolled automatically, you still need to designate a beneficiary.***

You can designate or update your beneficiary information by accessing your Plan account at vanguard.com/retirementplans or by calling Vanguard at 800-523-1188, Monday through Friday, 7:30 a.m. to 8 p.m., Central time.

If you die without having named a beneficiary, the Plan rules will determine who receives your benefit. Those rules are described in the ***Your Beneficiary*** section of this SPD.

HOW THE PLAN WORKS

Company Core Contributions

BNSF provides a Core Contribution⁴ as a foundational retirement benefit even if you don't make contributions to your account.

Like all other sources of funds in your 401(k) account, Core Contributions are portable, meaning you can take vested Core Contributions with you if you leave BNSF before retirement.

- ▶ **For eligible employees hired or rehired** after March 31, 2019, **or non-salaried (“scheduled”) employees** who enter into a salaried position after that date, Core Contributions are added to your 401(k) account each pay period, beginning with your first paycheck.

⁴ Employees of BNSF Logistics participate in all aspects of the 401(k) Plan except Core Contributions.

- ▶ **BNSF salaried employees** as of March 31, 2019, will receive a Core Contribution to their 401(k) account based on their 2019 election Pension Plan election (see below).

Core Contribution Election

All employees eligible to participate in the BNSF 401(k) Plan as of March 31, 2019 may make a one-time election to extend their participation in the BNSF Pension Plan for a specified time and then begin receiving Core Contributions, or begin receiving Core Contributions as of Oct. 1, 2019.

- ***If you have 60 or more years*** (years of age + years of service) as of March 31, 2019, and you elect to extend your participation in the BNSF Pension Plan until March 31, 2028, and you remain an eligible employee, you will begin receiving 401(k) Core Contributions as of April 1, 2028.
- ***If you have fewer than 60 years*** (years of age + years of service) as of March 31, 2019, and you elect to extend your participation in the BNSF Pension Plan until March 31, 2022, and you remain an eligible employee, you will begin receiving 401(k) Core Contributions as of April 1, 2022.

When you begin receiving Core Contributions, you retain any vested retirement benefit you accrued under the BNSF Pension Plan.

How the 60-Years Threshold Is Calculated

Measurement of years of age + years of service obtained as of March 31, 2019 is done in whole months, so an employee receives credit for a full month for working or being born even one day in the month.

Service as a BNSF Railway employee is measured, including prior [non-salaried \(“scheduled”\)](#) service and certain other periods as noted below under [How the Core Contribution Percentage Rate Is Determined](#).

Example: Age 42 and 5 months + service of 17 years and 4 months = 59 and 9 months or 59.75 years.

Since company Core Contributions are made before-tax, they and any associated investment earnings are subject to federal income taxes when paid to you from the Plan. State and/or local income taxes may also be payable on those amounts.

Amount of Core Contributions You Receive

Each pay period, BNSF makes Core Contributions to your 401(k) Plan account. The amount is based on a percentage of your Plan compensation, which includes your base salary, overtime pay if applicable, sales commissions and similar sales-based compensation if applicable, and any cash awards paid under the BNSF [Incentive Compensation Plan \(ICP\)](#).⁵

As a result, if any of these components of your compensation change, such as a base pay increase, BNSF’s Core Contributions also will increase commensurately.

⁵ Core Contributions and Matching Contributions are made on your eligible compensation up to the IRS compensation limit (\$280,000 for 2019).

Your Core Contribution Rate depends on your total years of age + service.

Your Years of Age + Service	BNSF's Core Contributions
• Less than 40 -- ▶	3%
• 40 to less than 50 --- ▶	4%
• 50 or more ----- ▶	5%

How the Core Contribution Percentage Rate Is Determined

Your years of age + BNSF service determine your Core Contribution rate. Your age and service are calculated in whole months projected to December 31 of the year in which contributions are made. You receive credit for a full month for working or being born even one day in that month.

For example, your Core Contribution rate for each pay period from January through December 2020, and any ICP award earned in 2019 but paid in 2020, would be based on your projected age + service years as of December 31, 2020.

Your service as a BNSF Railway employee is counted, including prior non-salaried (“scheduled”) service; prior service as a paid intern; and periods while on approved leave of absence, qualifying occupational disability, and while receiving benefits under the BNSF Long Term Disability (LTD) Plan or a determination of disability from the Railroad Retirement Board or Social Security Administration. Prior service with BNSF Logistics and any Berkshire-Hathaway company is excluded.

Calculation example: Age 42 and 5 months + service of 17 years and 4 months = 59 and 9 months or 59.75 years. This number of age + service years qualifies for the 5% Core Contribution rate.

Military Leaves of Absence

If you go on a military leave of absence, the Core Contribution is made on any BNSF Make Whole Pay (as defined in the Military Leave Corporate Rule) you receive during the leave. Upon your return from military leave, Core Contributions will be made on the difference between your rate of pay as of the date you went on MLOA, and the BNSF Make Whole Pay that you received while on MLOA, if any.

Your Contributions

You may contribute up to 25% of your [compensation](#) on a before-tax, Roth or non-Roth after-tax basis, or a combination, in any whole percentages from 1% to 25%. Other limits may apply as summarized in [Other IRS Limits](#) later in this chapter.

Only [before-tax](#) and [Roth](#) contributions receive BNSF's Matching Contributions. You will maximize your benefit from the company match by contributing at least 6% of your compensation on a before-tax and/or Roth basis. [Non-Roth after-tax contributions](#) are not matched.

You may choose to contribute to the Plan from any or all of the following:

- ▶ Your base salary, and overtime pay if applicable, and
- ▶ Sales commissions and similar sales-based compensation, and cash awards payable to you under BNSF's [Incentive Compensation Plan \(ICP\)](#) each year, if any.

Before-tax Contributions

When you elect to make before-tax contributions to the Plan, in effect you elect to reduce your salary for federal income tax purposes, and BNSF makes a corresponding before-tax contribution to the Plan on your behalf. Before-tax contributions to the Plan are:

- ▶ Deducted from your pay before federal income taxes are computed,
- ▶ Not considered part of your taxable income by the IRS, and
- ▶ Not reported as federally taxable income on your Form W-2 each year.

While not subject to current federal income taxation, your before-tax contributions are subject to current Railroad Retirement or Social Security taxes, Medicare tax, and state and/or local income taxes in certain places. In the future, when you take a [withdrawal](#) or [distribution](#) from the Plan, you must pay federal income taxes on the portions attributable to your before-tax contributions, related company Matching Contributions and any associated investment earnings. State and/or local income taxes may also be payable on those amounts.

Consult with your professional tax advisor about the tax treatment of before-tax contributions, including any state and/or local taxes.

Your combined total [before-tax](#) contributions and/or [Roth](#) contributions in each calendar year are limited by the IRS. For example, the 2019 limit is \$19,000 (except as noted under [Catch-up Contributions](#)). To see the current limits, go to vanguard.com/contributionlimits. Vanguard can also give you the current contribution limits by phone at 800-523-1188.

Access to Before-tax Amounts

You cannot access your before-tax contributions (including [catch-up contributions](#)) and any related earnings while you remain employed with BNSF and are under age 59½, *except* through a [loan](#) or a [withdrawal](#) due to a [qualifying financial hardship](#).

Roth Contributions

Roth contributions are deducted from your pay after income tax withholding has been calculated on your gross pay. If you elect to make Roth contributions, you will pay federal income taxes (as well as Railroad Retirement or Social Security and Medicare taxes) on these amounts in the year they are earned.

When you take a *qualified* [distribution](#) of your Roth contributions, neither your contributions nor the related investment earnings, if any, are taxable. However, company Matching Contributions, if any, and any associated investment earnings are taxable (see below). A qualified distribution is one that is made at least five years after your initial Roth contribution *and* you must be at least age 59½ at the time of distribution (or the distribution must be on account of your death or [disability](#)). If the distribution is not a qualified distribution, federal income taxes (and possibly an

additional 10% federal tax on early distributions) are payable on the investment earnings.

Since company Matching Contributions, if any, related to your Roth contributions are made before-tax, they and any associated investment earnings are subject to federal income taxes when paid to you from the Plan. State and/or local income taxes may also be payable on those amounts.

Consult with your professional tax advisor about the tax treatment of Roth contributions, including any state or local taxes.

Your combined total [Roth contributions](#) and/or [before-tax contributions](#) in each calendar year are limited by the IRS. For example, the 2019 limit is \$19,000 (except as noted under [Catch-up Contributions](#)). To see the current limits, go to vanguard.com/contribution_limits. Vanguard can also give you the current contribution limits by phone at 800-523-1188.

Access to Roth Amounts

You cannot access your Roth contributions (including Roth [catch-up contributions](#)) and any related earnings while you remain employed with BNSF and are under age 59½, *except* through a [loan](#) or a [withdrawal](#) due to a [qualifying financial hardship](#).

Converting Your Other Accounts to Roth Money

You may convert before-tax and/or non-Roth after-tax money to Roth money within the Plan only if you are eligible for a [distribution](#) under the Plan. See [question 19](#) in the [Frequently Asked Questions and Answers](#) section of this SPD for more information.

Non-Roth After-tax Contributions

Non-Roth after-tax contributions are deducted from your pay after income tax withholding has been calculated on your gross pay. If you elect to make non-Roth after-tax contributions, you will pay federal income taxes (as well as Railroad Retirement or Social Security and Medicare taxes) on these amounts in the year they are earned.

You will not pay income taxes on non-Roth after-tax contributions when they are withdrawn or distributed to you from the Plan.

However, any investment earnings associated with non-Roth after-tax contributions are subject to federal income taxes when they are paid to you from the Plan. Any [distribution](#) that includes non-Roth after-tax contributions made after 1986 must include a pro-rata portion of earnings, which is taxable, including an additional 10% federal tax on early distributions, if applicable.

Consult with your professional tax advisor about the tax treatment of non-Roth after-tax contributions, including any state or local taxes.

The Plan limits your non-Roth after-tax contributions, combined with any other types of contributions you make to the Plan, to a maximum of 25% of your [compensation](#). Other limits may apply as summarized in [Other IRS Limits](#) later in this chapter.

Access to Non-Roth After-tax Amounts

You may [withdraw](#) non-Roth after-tax contributions from the Plan at any time for any reason, except that you may make no more than one such withdrawal in a calendar month.

“Catch-up” Contributions

If you reach age 50 before the end of a calendar year, you may elect to contribute additional [before-tax](#) and/or [Roth](#) amounts as “catch-up” contributions. The maximum catch-up contributions you may make in each calendar year is whichever of the following is less:

- ▶ Up to 50% of your total base salary, sales commissions and similar sales-based [compensation](#), overtime pay, or
- ▶ The IRS limit for that year (for example, \$6,000 in 2019). Go to vanguard.com/contributionlimits for the current catch-up contribution limit or call Vanguard at 800-523-1188.

Comparing the Types of Contributions You May Make

	Before-tax Contributions	Roth Contributions	Non-Roth After-tax Contributions
Do the company Matching Contributions apply? ⁶	Yes	Yes	No
Is the money tax-free at retirement?	No	Yes ⁷	Yes for contributions; No for investment gains (if any)
May I withdraw money before I turn age 59½ but while still employed by BNSF?	No (Loans and hardship withdrawals for limited purposes are available.)	No (Loans and hardship withdrawals for limited purposes are available.)	Yes
Does the annual IRS limit on my contributions apply? (In 2019 = \$19,000, or \$25,000 if age 50+)	Yes	Yes	No
Does the “five-year rule” apply? ⁵	No	Yes	No
Does the overall annual plan contribution limit of 25% of compensation apply? ⁸	Yes	Yes	Yes

⁶ Matching Contributions are always before-tax. When you take a [distribution](#), you will owe taxes on matching contributions and all associated earnings.

⁷ Tax implications: A [distribution](#) or [withdrawal](#) of Roth earnings usually is subject to income taxes if the initial Roth contribution was made less than five years ago and you are under age 59½.

⁸ Exception: You may make annual [catch-up contributions](#) up to 50% of [compensation](#) or \$6,000, whichever is less.

Company Matching Contributions

BNSF adds a \$0.75 matching contribution to your account for every \$1 of [before-tax](#) and/or [Roth](#) contributions you make from the first 6% of your [compensation](#).⁹

BNSF's Matching Contributions go into your account at the same time as the contributions you make from your regular pay and [ICP](#) awards.

Since company Matching Contributions, if any, related to your before-tax *and Roth contributions* are made before-tax, they and any associated investment earnings are subject to federal income taxes when paid to you from the Plan. State and/or local income taxes may also be payable on those amounts.

Your [catch-up contributions](#) and [non-Roth after-tax contributions](#) are not matched by company contributions.

Access to Matching Contributions

[Vested](#) Matching Contributions and any related earnings may be accessed while you are still employed only through the following:

- ▶ [Age 59½ withdrawal](#),
- ▶ A [loan](#), or
- ▶ A [hardship withdrawal](#).

Other IRS Limits

In addition to the contribution limitations described above, other IRS limits affect the Plan.

Compensation Limit

[Compensation](#) in excess of the IRS limit in any [plan year](#) may not be used in determining your [before-tax](#) and/or [Roth](#) contributions (including [catch-up contributions](#)) or [non-Roth after-tax contributions](#). For example, the 2019 compensation limit is \$280,000. Go to [vanguard.com/contributionlimits](#) to see the current limit or call Vanguard at 800-523-1188.

Overall Contribution Limit

The total amount of your before-tax contributions (other than catch-up contributions), non-Roth after-tax contributions, Roth contributions (other than catch-up contributions) and company Matching Contributions in one year may not exceed an IRS limit. For example, in 2019, that limit is \$56,000. Vanguard can give you the current limit at [vanguard.com/contributionlimits](#) or by phone at 800-523-1188.

Limits on Highly Compensated Employees (HCE)

Certain HCEs may be subject to additional restrictions. For 2019, the IRS defines an HCE as an employee who earned \$125,000 or more in the previous plan year. Vanguard can give you the current HCE income threshold at [vanguard.com/contributionlimits](#) or by phone at 800-523-1188. Before-tax and/or Roth contributions (other than catch-up contributions) by HCEs may be limited, based on the average percentage of [compensation](#) contributed to the Plan by non-HCEs.

⁹ Core Contributions and Matching Contributions are made on compensation up to the IRS limit (\$280,000 for 2019).

If you are an HCE, this limit may require that a portion of your before-tax and/or Roth contributions and related earnings (if any) be returned to you from the Plan. Any company Matching Contributions and related earnings associated with returned before-tax contributions and/or Roth contributions are also removed from your account. Vanguard will inform you if you are affected by any of these limits. To the extent permitted by law, contributions that exceed the limit will be re-characterized as catch-up contributions for those who are eligible to make catch-up contributions.

Impact of Your Contributions on Other Benefits

While your [before-tax contributions](#) to the Plan reduce your taxable pay, they do not reduce your other benefits that are based on your pay. These include benefits under the BNSF Pension Plan, the BNSF disability and life insurance programs, and Railroad Retirement Board or Social Security benefits.

Your Accounts

Separate accounts in the Plan are maintained for you as follows:

- ▶ ***Before-tax Contributions Account*** – Contains your [before-tax contributions](#) and any associated earnings.
- ▶ ***Before-tax Catch-up Contributions Account*** – Contains your before-tax [catch-up contributions](#) and any associated earnings.
- ▶ ***Non-Roth After-tax Contributions Account*** – Contains your [non-Roth after-tax contributions](#) and any associated earnings.
- ▶ ***Roth Contributions Account*** – Contains your [Roth contributions](#) and any associated earnings.
- ▶ ***Roth Catch-up Contributions Account*** – Contains your [Roth catch-up contributions](#) and any associated earnings.
- ▶ ***Company Core Contributions Account*** – Contains the company's [Core Contributions](#) and any associated earnings.
- ▶ ***Company Matching Contributions Account*** – Contains [company Matching Contributions](#) and any associated earnings.
- ▶ ***Vested Dividends on Company Stock Account*** – Contains dividends received with respect to any company stock held in the Plan on your behalf.
- ▶ ***Rollover Account*** – Contains amounts directly rolled over to the Plan from another employer's [qualified retirement plan](#) and any associated earnings.
- ▶ ***Roth Rollover Account*** – Contains [Roth](#) amounts directly rolled over to the Plan from another employer's [qualified retirement plan](#), or converted within the Plan, and any associated earnings.
- ▶ ***Trustee Transfer Account*** – Contains contributions directly transferred to the Plan from another employer's [qualified retirement plan](#) and any associated earnings.

Certain additional accounts may be maintained on behalf of former participants in the Burlington Northern Inc. Thrift and Profit Sharing Plan I, and the Santa Fe Pacific Retirement and Savings Plan for Salaried Employees. These plans were combined into the Plan effective Jan. 1, 1997:

- ▶ **IRA Account** – Contains deductible contributions made by [plan participants](#) prior to Jan. 1, 1987.
- ▶ **ESOP Account** – Contains participant assets previously maintained under Employee Stock Ownership Plans (ESOP) maintained by BNSF predecessor companies.
- ▶ **Flex Account** – Contains previous contributions under the cafeteria plan maintained by Burlington Northern Inc.

Quarterly Account Statement

Shortly after the end of each calendar quarter, a statement¹⁰ will be available showing the following for each of your accounts:

- ▶ The balance at the beginning of the quarter,
- ▶ Company Core Contributions, your contributions and any company Matching Contributions added to the account during the quarter,
- ▶ The investment return credited to or debited from the account during the quarter,
- ▶ The balance at the end of the quarter,
- ▶ Any outstanding loan balance, and
- ▶ Your [vested](#) amount in the Plan.

Your Investment Choices

You decide how all amounts in your account – even BNSF's Core Contributions and Matching Contributions – are invested among the Plan's investment funds. You may divide your contributions among the available funds in increments of 1%.

- ▶ Recent summary information about the funds, including financial performance, is available in fund [fact sheets](#) you may access at vanguard.com/retirementplans.
- ▶ The funds are also further described in the [Supplement](#) to this Summary Plan Description.

You can get the latest available fund information and performance data online. See [link to the left](#).

Fund Prospectuses

Note that all funds are offered by prospectus only. Prospectuses contain more complete information on advisory fees, distribution charges and other expenses. You should read them carefully before investing. Prospectuses and fund information are available directly from Vanguard by calling 800-523-1188 or writing to: The Vanguard Group, P.O. Box 2900, Valley Forge, Pennsylvania 19482-2900. You may also contact Vanguard at vanguard.com/retirementplans.

Supplement

See the separate [Supplement](#) to this Summary Plan Description for information about the following:

¹⁰ Statements are available online at vanguard.com/retirementplans or by request via postal mail.

- ▶ Copies of Documents Incorporated by Reference and Reports to Plan Participants.
- ▶ Additional Information Regarding Investment Funds:
 - Shareholder Rights with Respect to BRK Class B Stock Fund.
 - Limitations on the Sale of Common Stock Acquired under the Plan.
 - Unit Accounting Procedures.
- ▶ Federal Income Tax Effects.
- ▶ Applicability of [ERISA](#).

Changing Your Contributions and Investment Choices

After you are enrolled in the Plan, you may change the following elections:

- ▶ The amount of your future contributions,
- ▶ The investment of future contributions from you and BNSF, and
- ▶ The investment of your existing account balances going forward. You may transfer amounts from one investment fund to another available investment fund in increments of 1% of your account balances.

Generally, the Plan allows you to change your contribution rate, make exchanges between available investment funds or change the investment of future contributions on a daily basis (consistent with fund prospectus guidelines, Plan limits and Vanguard frequent-trading policies). You may change your elections by:

- ▶ Calling Vanguard, the recordkeeper for the Plan, by telephone at 800-523-1188 during normal business hours, or
- ▶ Accessing Vanguard’s website at vanguard.com/retirementplans at any time.

In addition, you can improve your chances for meeting your long-term savings goals by using Vanguard’s “One-Step” tool to set up an automatic annual increase in your contribution percentage. Details are available online at vanguard.com or by calling Vanguard at 800-523-1188.

Vanguard offers a broad range of investment information from retirement plan guidance to specific fund information to tax-planning tips.

The precise timing of any transaction may be subject to normal or extraordinary processing delays or special circumstances and cannot be guaranteed.

Deadline for Trades in the BRK Class B Stock Fund

If you want to make an exchange into or out of the BRK Class B Stock Fund, you must contact Vanguard by 4:00 p.m. Eastern time for the transaction to receive that day’s trade price. Transactions into and out of the BRK Class B Stock Fund generally are based on the closing price of Berkshire Hathaway Class B stock for the applicable trade date.

However, an extraordinary level of participant transaction activity or Plan administrative requirements (as determined by the [Plan Administrator](#)) could cause the unit value for your transactions to be determined by the sale or purchase prices of transactions executed on one or more days following receipt of your request. If this happens, the unit value is based on the execution prices realized by the fund. In the

event of extraordinary Plan changes or activity, the Plan Administrator may impose limitations on trading into or out of the BRK Class B Stock Fund.

20% Limit on BRK Class B Stock Fund Investments

Note that you cannot have more than 20% of your total Plan account balance invested in the BRK Class B Stock Fund at any one time as a result of contributions or transfers from other Plan funds made after Dec. 31, 2007. This means you cannot make new contributions or transfers from other Plan funds in any amount that would cause your BRK Class B Stock Fund balance to exceed 20% of your total Plan balance.

- ▶ Any *new contributions* you make that are limited by this restriction will be automatically directed to the Plan's [default investment alternative](#).

Example: Say that you elect to make new contributions to the BRK Class B Stock Fund, but your account will exceed the 20% BRK Class B Stock Fund limitation if more than \$500 is added to the fund. Once \$500 goes into the fund, it cannot accept more contributions, so any remaining contributions designated for the BRK Class B Stock Fund will instead be directed to the Plan's default investment alternative.

- ▶ Any *fund transfer* you request that results in your account exceeding the 20% limit will not be processed and will remain as previously invested.

Example: Say that you request a transfer of \$1,000 from another Plan fund to the BRK Class B Stock Fund, but your account will exceed the 20% Company Stock Fund limitation if more than \$500 is added to the fund. The online system will alert you with an error message and no amount will be transferred into the BRK Class B Stock Fund. By revising your transfer request to an amount that does not exceed the limit (\$500 or less in this example), you can transfer amounts into the BRK Class B Stock Fund.

Purpose of Plan Loans and Withdrawals

The Plan is designed to help you meet long-term goals, such as providing savings for a more comfortable retirement. However, situations may arise that require you to access some of your savings before retirement, so the Plan permits loans and withdrawals.

Loans from Your Account

The loan option lets you borrow from your account, then pay your account back with interest. You may have up to two loans outstanding at any one time. However:

- ▶ You may take no more than one loan in a calendar month.
- ▶ You may not take a loan in the same calendar month that you request an [age 59½ withdrawal](#) or that an age 59½ [distribution](#) is made from your account.

To request a loan, call Vanguard at 800-523-1188 or log in to your account at vanguard.com/retirementplans.

You may borrow up to 50% of the [vested](#) balance of your contributions and company Matching Contributions. (Company Core Contributions and any related earnings are not available for loan nor is it available to determine the amount of the loan.) The minimum loan amount is \$1,000. The maximum loan amount is \$50,000, reduced by your highest outstanding loan balance during the last 12 months.

The interest rate you pay on a Plan loan is based on the prime rate on the first business day of the quarter in which the loan is made (as received by Vanguard from Reuters) plus 1%. The interest rate remains the same for the life of your loan. The interest that you pay for loans from the Plan is not deductible for income tax purposes. Your loan is secured by your remaining account balance.

The amount you borrow is withdrawn from your account balance in the following order:

- ▶ [Non-Roth After-tax Contributions](#) Account
- ▶ Flex Account
- ▶ ESOP Account
- ▶ IRA Account
- ▶ [Trustee Transfer](#) Account
- ▶ [Rollover](#) Account
- ▶ [Roth Rollover](#) Account
- ▶ [Vested](#) Dividends on Company Stock Account
- ▶ [Vested](#) Company Matching Contributions Account
- ▶ [Before-tax Contributions](#) Account
- ▶ [Roth Contributions](#) Account
- ▶ [Before-tax Catch-up](#) Contributions Account
- ▶ [Roth Catch-up](#) Contributions Account

You may borrow from any investment fund or proportionately across all funds.

Repaying a Loan

If you are a [plan participant](#), you repay your loan through after-tax payroll deductions. You choose the length of your repayment period – up to 60 months (five years). However, if your loan is for the purchase of your principal residence, your repayment period may be up to 180 months (15 years).

A deduction from your paycheck is made each pay period until you repay your loan in full. Your loan payments, including principal and interest, are invested in your current investment funds in the same proportion as you have elected for your current contributions to the Plan. You may prepay a loan in part or full at any time by sending funds directly to Vanguard. No penalties apply for advance repayment. Additional partial payments do not relieve you of your obligation to continue making scheduled payments by after-tax payroll deduction until the loan is paid off in full. For payment options and instructions, call Vanguard at 800-523-1188 or log in to your account at vanguard.com/retirementplans.

Unpaid Plan Loans During Leave of Absence or Pay Reduction

If you have an outstanding loan and begin an unpaid leave of absence or you move to a pay level not sufficient to make the bi-weekly payments (other than for military service, as explained below), you must make up any missed loan payments, including interest, directly to Vanguard. The monthly loan payment(s) must be received by

Vanguard no later than the end of the calendar quarter following the calendar quarter in which the first missed payment was due. Otherwise, you may pay off the loan in full. You must make all loan payments to Vanguard with a cashier's check, certified check or money order, or via Electronic Bank Transfer (EBT) payable to Vanguard Fiduciary Trust Company. Personal checks are not accepted.

If you begin a military leave of absence, loan payments are suspended when you stop receiving regular pay from BNSF. When you return to work after your military leave, your loan is [re-amortized](#) and revised loan payments from your regular pay resume. See [question 5](#) in the [Frequently Asked Questions and Answers](#) section of this SPD for more information about outstanding loans during a military leave.

If you fail to make one or more loan payments when due, you must make up the missed payments or repay the entire amount of your loan, including interest, no later than the end of the calendar quarter following the calendar quarter in which the first missed payment was due.

If you do not make up the missed payments or repay the full amount of the unpaid balance when required, including any applicable interest, the remaining unpaid balance of the loan, including accrued interest, becomes a "[deemed distribution](#)" from the Plan. A deemed distribution constitutes taxable income, subject to regular income taxes, but it does *not* extinguish your loan for the purposes of determining your eligibility for future loans. The distribution is reported to you and the IRS on Form 1099-R. A deemed distribution also may be subject to the additional 10% federal tax on early distributions.

Unpaid Plan Loans if You Terminate Employment

If your employment with BNSF ends, including retirement, you may choose either to:

- ▶ Have the amount of your unpaid loan balance reduce your final Plan [distribution](#). The final Plan distribution amount reported to the IRS will include the unpaid loan balance.
- OR –
- ▶ Repay the loan balance and any accrued interest with a certified check or cashier's check, or via Electronic Bank Transfer (EBT). This would allow you to roll over your Plan account into IRA or another employer's qualified plan and avoid incurring federal income tax on the otherwise-unpaid loan balance and, if you are under age 59½, a 10% federal penalty (unless an exception applies to you).

If you need more time to acquire funds to satisfy the loan, you can still avoid or lessen federal income tax and potential penalty by rolling over into an IRA all or any portion of the distributed unpaid loan amount. You have until your federal income tax-filing due date (including any extensions) for the taxable year in which the unpaid loan amount is treated as distributed to roll over an outstanding loan amount. Otherwise, the loan defaults and you are treated as having received a taxable distribution in the amount of the unpaid loan. The distribution is reported to you and the IRS on Form 1099-R and may be subject to an additional 10% federal tax on early distributions.

Unpaid Plan Loans Upon Distribution of All Accounts

The [distribution](#) of Plan accounts to you or your [beneficiary](#) will be reduced by the outstanding balance of a Plan loan. For example, if you die while a loan is outstanding, the value of Plan accounts eventually distributed to your beneficiary will be net of the unpaid balance.

Withdrawals

If you are a [plan participant](#), withdrawals are permitted as follows and must be made in the order shown:

- ▶ **Non-Roth After-tax Withdrawal** – At any time, you may withdraw [non-Roth after-tax contributions](#) and any associated earnings for any reason without restriction, *except* that you may make no more than one such withdrawal in a calendar month.
- ▶ **Age 59½ Withdrawal** – Once you reach age 59½ and you have withdrawn the entire amount of your non-Roth after-tax contributions account, you may withdraw some or all of the money in your other accounts, provided you still are a [plan participant](#) at the time of the withdrawal. You may make no more than one age 59½ withdrawal in a calendar month.
- ▶ **Hardship Withdrawal** – Prior to age 59½, you may withdraw [vested](#) company Matching Contributions, [before-tax contributions](#) and [Roth contributions](#), including any earnings associated with any of those contributions, but *only* for qualifying financial hardship (a Hardship Withdrawal). Company Core Contributions and any related earnings are not available for Hardship Withdrawal. You may make no more than one hardship withdrawal in a calendar month.

Qualifying Financial Hardship

A financial hardship is defined as an immediate and heavy financial need for which funds are not reasonably available from any other sources. Financial hardships that *qualify* for taking a hardship withdrawal are restricted to the following:

- Costs directly related to the purchase of your principal residence (excluding mortgage payments),
- Payment of tuition, related educational fees and room and board expenses, for up to the next 12 months of post-secondary education for you, your [spouse](#) or your children,
- Expenses for (or necessary to obtain) medical care that would be deductible for federal income tax purposes by you or your dependents (determined without regard to whether the expenses exceed 7.5% of adjusted gross income),
- Payments to prevent eviction from your primary residence or foreclosure on the mortgage on your home,
- Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependents,

- Expenses for the repair of damage to your principal residence that would be deductible for federal income tax purposes (determined without regard to whether the repair cost exceeds 10% of adjusted gross income), and
- Other reasons approved by the [Plan Administrator](#).

The amount of a withdrawal for financial hardship is limited to the amount necessary to defray the hardship expense and related taxes.

You may continue to make contributions to your account after taking a hardship withdrawal.

Taxation of Withdrawals

All withdrawals of money that has not been taxed previously are subject to income tax (and possibly a 10% early distribution penalty tax) *except for* earnings on [Roth contributions](#), as long as the first Roth contribution was made at least five years prior to the withdrawal and you are age 59½ or older when the withdrawal is made.

Applying for a Withdrawal

You may apply for a withdrawal by calling Vanguard at 800-523-1188 during regular business hours or by logging on to your account at vanguard.com/retirementplans at any time. If you request the withdrawal of a specific dollar amount, and the value of your account balance has decreased to an amount less than the amount you requested, you will receive only the actual current value of your account.

An [alternate payee](#) under a [QDRO](#) may not apply for a [hardship withdrawal distribution](#), but may apply for a full [distribution](#).

Vesting and Your Vested Interest

- ▶ **Your contributions** – You always are “vested” in – meaning you have 100% ownership of – the current value of your [before-tax contributions](#) (including [catch-up contributions](#)), [non-Roth after-tax contributions](#), [Roth contributions](#) (including Roth catch-up contributions), and any earnings associated with those contributions. You also are 100% vested in dividends received after Feb. 1, 2002, on stock held in the BRK Class B Stock Fund.
- ▶ **Core Contributions** – You become 100% vested in company Core Contributions and any associated earnings after three years of [vesting service](#).
- ▶ **Matching Contributions** – You are vested in company Matching Contributions made on or after Jan. 1, 1997, and any earnings associated with those contributions, according to the following schedule:

Years of Vesting Service ¹¹	Vested Percentage of Company Matching Contributions
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

You become 100% vested in the company's Core Contributions and Matching Contributions if any of the following occurs earlier than the vesting dates above:

- ▶ You die while employed by BNSF or an [affiliated company](#),
- ▶ You become [disabled](#) while employed by BNSF or an affiliated company,
- ▶ You reach your [normal retirement date](#) (age 65) while employed by BNSF or an affiliated company,
- ▶ You retire or terminate at a time when eligible to retire from active service under the terms of your employer's [qualified retirement \(pension\) plan](#),
- ▶ You are affected by a partial termination of the Plan, or
- ▶ The Plan terminates or company contributions cease.

Definition of Vesting Service

Vesting service is defined as the number of [plan years](#) in which you are compensated by BNSF or an affiliated company for at least 1,000 hours of work. This includes service as either a [non-salaried](#) or [salaried employee](#). It also includes continuous service prior to the effective date of the Plan with the former Burlington Northern and the former Santa Fe. You are credited with a minimum of 190 hours for each month in which you are compensated for at least one hour of employment.

Example: If you were hired on March 2, 2016, your employment ends on Nov. 5, 2021, and you completed at least 1,000 hours of service in calendar years 2016 through 2021, you would earn six years of [vesting service](#), and would be fully vested in your Core Contribution and Company Matching Contribution accounts.

Prior Employment with Other Berkshire Hathaway Companies

If you previously worked for a company within the Berkshire Hathaway controlled group, you may be entitled to vesting service credit. Please contact the [Plan Administrator](#).

¹¹ See [Defined Terms](#) for definition.

Receiving Your Account (Distribution)

Payment of amounts from your account for any reasons other than a Plan loan is called a distribution.

If You Retire or Terminate Employment

If you retire or terminate your employment for any reason other than [disability](#) or death (as summarized under the next heading), you are entitled to receive:

- ▶ The current value of your [before-tax](#), [Roth](#) and [non-Roth after-tax](#) contributions,
- ▶ The current value of vested company Core Contributions in your account,
- ▶ The current value of [vested](#) company Matching Contributions in your account, and
- ▶ Any earnings associated with the above contributions.

See your distribution [Payment Options](#) below.

Distributions While Employed by Other Berkshire Hathaway Companies

IRS rules generally prohibit participants from receiving benefits from the Plan while employed by any other company within the Berkshire Hathaway controlled group. Participants who become employed by a controlled group company should contact the [Plan Administrator](#) as soon as possible. Receipt of a prohibited distribution may result in adverse tax consequences. For a list of Berkshire Hathaway subsidiary companies, go to berkshirehathaway.com/subs/sublinks.html.

If You Die or Become Disabled

If you die before the total value of your accounts has been paid to you, your [beneficiary](#) is entitled to receive payment (“distribution”) of the current value of your Plan accounts.

You also are entitled to receive payment (“distribution”) of the current value of your accounts if you become eligible for benefits under the [BNSF Long Term Disability Insurance Program](#) or you receive any [disability](#) determination from the Railroad Retirement Board or Social Security Administration.

See your distribution [Payment Options](#) below.

If You Terminate Employment Before You Are Fully Vested

If you terminate your employment before you are 100% [vested](#) in your company-provided Core Contributions or Matching Contributions and associated earnings, you forfeit the portion of your account that is not vested. However, if you are rehired within five years after your termination, any forfeited amounts may be restored if you repay the Plan the full amount of any distributions previously paid to you within the time period required by the Plan.

If You Are Unable to Manage Your Affairs

If you are unable to manage your affairs, the [Plan Administrator](#) may direct the payment of your benefits to your legal representative appointed by court order or by power of attorney.

Vanguard will provide a standard power of attorney form upon request. That form includes options for what your legal representative may be authorized to do with

your Plan account. If another power of attorney form is submitted, you will be requested to execute the Vanguard form. If this is not possible, the non-Vanguard form will be reviewed for compliance with the strict specificity requirements for powers of attorney applicable to ERISA plans.

Payment Options

Upon termination of your employment, your [disability](#) or your retirement, you have several options:

- ▶ If your vested balance is more than \$5,000, you may elect any one of the following:
 - Keep all of your vested account balance in the Plan and continue to direct the investment of your account. However, beginning April 1 of the year following the year in which you reach age 70½ you must begin to receive [distributions](#) from your account in accordance with federal minimum distribution rules;
 - Choose a single lump-sum payment or a [rollover](#) to an Individual Retirement Account (IRA, including a Roth IRA, as appropriate) or another qualified plan of all of your account balance;
 - Receive payment of, or roll over, a portion of your vested account balance and keep the remaining portion in the Plan.

If you elect to leave some or all of your vested account balance in the Plan after you terminate your employment, you may not make any additional contributions, and you may not borrow from the Plan. Amounts that remain in the Plan will continue to participate in the investment performance of the funds in which they are invested, which includes the risk of investment loss; or

- Elect to receive a distribution in the form of cash or shares of Berkshire Hathaway Class B common stock.
- ▶ If your vested account balance is \$5,000 or less, that balance will be paid to you as soon as practicable after your distribution instructions are received by the [Trustee](#). However, ***if you fail to provide timely distribution instructions*** (generally within 60 days from your termination), and your vested account balance is \$1,000 or less, it is paid to you automatically as a single lump-sum payment. Vanguard will mail a check to you. If your vested account balance is more than \$1,000, but not more than \$5,000, it will be paid to an individual retirement plan in your name (such as an Individual Retirement Account – or IRA, or Roth IRA, as appropriate) that is designated by the [Plan Administrator](#).

If required by law, the Plan may make distributions to an [alternate payee](#) under a [qualified domestic relations order \(QDRO\)](#).

Your account will be distributed to you as soon as practicable but no earlier than 30 days after your termination, [disability](#) or retirement.

Taxation of Plan Distributions

See the sections titled *Before-tax Contributions*, *Non-Roth After-tax Contributions*, *Roth Contributions*, *Company Core Contributions* and *Company Matching Contributions* for discussion of tax treatment of contributions and distributions. Consult with your professional tax advisor about any applicable state and local income taxes. **Loans** are not considered Plan **distributions**. You may qualify for certain favorable tax rules that apply to distributions from **qualified plans**, such as forward averaging or net unrealized appreciation in the case of distributions made in stock. You may be able to defer taxation by leaving amounts in the Plan or by directly transferring the taxable portion of your distribution to an Individual Retirement Account (IRA, or Roth IRA, if appropriate) or to another qualified plan. These and other federal income tax effects of participation in the Plan are briefly described in the *Supplement* to this Summary Plan Description, and in the Special Tax Notice, that is provided upon distribution of your account. You may request a copy of the Special Tax Notice by contacting Vanguard at 800-523-1188.

You should consult with your professional tax advisor before making any elections about a distribution from the Plan.

Rollover Contributions and Distributions**Incoming Rollover**

If you receive a payment or distribution from another **qualified plan**, such as a former employer's 401(k) plan, 403(b) plan or 457 plan, you may generally roll over (that is, transfer) the payment to this Plan, provided the IRS permits a tax-free rollover in your situation and the transfer complies with the rules of this Plan. Any **rollover** amount received by the Plan is placed in a separate rollover account. It is invested according to your instructions, consistent with Plan requirements. You always are fully **vested** in the value of your rollover account. You may roll over amounts before you meet the Plan's participation requirements. However, you are not eligible to make or receive any other contributions to the Plan before beginning Plan participation.

You may begin the rollover process online at vanguard.com/retirementplans or by calling Vanguard. Online, select "Manage my money," then "Move money into this plan." For assistance, call Vanguard at 800-523-1188, Monday through Friday, 7:30 a.m. to 8 p.m., Central time.

Outgoing Rollover

If you are eligible to receive a lump-sum **distribution** (or another distribution that qualifies as an eligible **rollover** distribution under the Internal Revenue Code) from the Plan, you may elect to have the **Trustee** transfer some or all of the distribution as a direct rollover to your Individual Retirement Account (IRA, including a Roth IRA, if appropriate) or to another eligible retirement plan to avoid current taxation, in accordance with applicable law. The account to which you roll over is a recipient account.

Rollover distributions generally are not taxable until they are distributed from the recipient IRA, Roth IRA or other [qualified retirement plan](#). However, distributions of [Roth contributions](#) remain non-taxable since those amounts already have been taxed. Please note that the five-year qualification period that applies to Roth accounts *starts over* at the time of the rollover. If the five-year requirement is not met after the rollover, the distribution of Roth *earnings* from a Roth IRA may be taxable, including a possible 10% tax on early distributions.

If you elect to receive a taxable distribution in cash, even though it is eligible for direct rollover, the IRS requires the Plan to withhold federal income tax. Within 60 days of the distribution, you still can roll over all or a portion of a distribution paid to you. If you want to roll over the entire amount of your cash distribution in order to avoid current taxation, you must use funds from another source to replace the amount withheld for income taxes. You may be eligible to recover some portion of the federal income tax withheld when you file your tax return. For more information about direct rollovers, contact Vanguard at 800-523-1188 during normal business hours or at vanguard.com/retirementplans.

If only part of a taxable distribution is rolled over, the remainder is taxable as ordinary income and is not eligible for the averaging rules described in the [Supplement](#) to this Summary Plan Description.

- ▶ **Non-Roth amounts** – Any taxable portion of an eligible distribution of [non-Roth amounts](#) that is made to a participant prior to reaching age 59½, and that is not rolled over, is subject to the additional 10% federal tax on early distributions unless an exception applies.
- ▶ **Roth amounts** – Any taxable portion of an eligible distribution of [Roth amounts](#) that is made to a participant prior to reaching age 59½ and less than five years from the date of the first contribution to the Roth account, and that is not rolled over is taxable, and is subject to the additional 10% federal tax on early distributions unless an exception applies.

The following types of distributions are *not* eligible for [rollover](#):

- ▶ Hardship distributions (also called [hardship withdrawals](#)),
- ▶ Cash dividends paid currently on company stock, if elected by a [plan participant](#),
- ▶ Any part of a [distribution](#) that is a required minimum distribution under IRS rules,
- ▶ A corrective distribution of excess deferrals, excess contributions or excess aggregate contributions, and
- ▶ [Deemed distributions](#) of [loans](#) in default.

If the [plan participant](#) is deceased:

- ▶ The participant's [spousal beneficiary](#) may elect a direct transfer or a rollover of an eligible distribution to an IRA or to another eligible retirement plan;
- ▶ A participant's non-spousal beneficiary may elect a direct transfer or a rollover of an eligible distribution to an IRA;

- ▶ A participant's former [spouse](#) who is an [alternate payee](#) under a [QDRO](#) may elect a direct transfer or a rollover of an eligible distribution to an IRA.

Your Beneficiary

At the time you are first enrolled in the Plan, you should contact Vanguard to designate one or more beneficiaries to receive Plan benefits if you die.

You may name a primary beneficiary or beneficiaries as well as a contingent beneficiary or beneficiaries. Payment will be made to your contingent beneficiary or beneficiaries only if your primary beneficiary or beneficiaries predecease you, or your designation of the primary beneficiary becomes null and void as noted below.

You may name any person(s) or entity(ies) you choose as a beneficiary, and you may revoke or amend your beneficiary designation at any time by contacting Vanguard. Vanguard maintains beneficiary designations.

Married Participants

If you are married and you name a beneficiary other than your [spouse](#), your spouse must consent to your election on a Beneficiary Designation Form by waiving his/her legal right to your entire benefit. Spousal consent must be witnessed by a notary public. The [Vanguard](#) will send the form by postal mail anytime a married participant designates a non-spouse primary beneficiary. This beneficiary designation goes into effect only after the Vanguard receives a properly completed form.

Contact Vanguard right away to make your beneficiary designation. Go to vanguard.com/retirementplans, or call Vanguard at 800-523-1188, Monday through Friday, 7:30 a.m. to 8 p.m., Central time.

You may change your beneficiary or beneficiaries at any time in the future.

Divorce

If your [spouse](#) is named as your beneficiary, and you are later divorced, the designation of your spouse as beneficiary that was made prior to the divorce becomes null and void. This means that if your spouse is your primary beneficiary, and you are later divorced, your most recent beneficiary designation will be recognized. To designate a former spouse as a beneficiary, or to designate any other primary beneficiary or contingent beneficiaries, you must complete a new beneficiary designation dated after your divorce.

Marriage/Remarriage

If you are not married and have a beneficiary designated, and then you become married, your new [spouse](#) automatically has a legal right to your entire benefit that supersedes any prior beneficiary designation. If you want to name a beneficiary other than your spouse, your spouse must consent to your election on a Beneficiary Designation Form by waiving his/her legal right to your entire benefit. Spousal consent must be witnessed by a notary public. Vanguard will send the form by postal mail anytime a married participant designates a non-spouse primary beneficiary. This beneficiary designation goes into effect only after Vanguard receives a properly completed form.

If you are subsequently divorced, your most recent beneficiary designation will be recognized.

If you do not name a beneficiary, or your beneficiary does not survive you, Plan benefits are paid in the following order:

- ▶ To your [spouse](#), if living, or
- ▶ To your estate, if your spouse does not survive you.

Any person(s) you designate as a beneficiary must be alive, and any entity(ies) you designate as a beneficiary must be in existence or come into existence at the time of your death. at the time of your death.

It is important to review your beneficiary designation(s) periodically and whenever you have a change in your family status.

If the order of death of you and your primary beneficiary cannot be determined, or if you or your primary beneficiary dies within 120 hours of the other, then you will be deemed to have survived your primary beneficiary.

If you or a beneficiary dies as a result of a criminal act involving the beneficiary, any person convicted of that criminal act will not be entitled to receive any amounts.

If a beneficiary is a minor, any inherited account opened for that beneficiary must remain under the control of a person or persons who are authorized to act on the minor's behalf for as long as she remains a minor.

Claims & Appeal Procedures

It is not necessary for you or your [beneficiary](#) to apply for benefits under the Plan. When your BNSF employment terminates, Vanguard will automatically send information explaining your options, including taking distributions from your Plan account and maintaining investments in your account. You may also call Vanguard for information at 800-523-1188 during normal business hours.

Claim for Benefits

If you or your beneficiary does not receive the benefits to which you believe you are entitled, you may file a claim for benefits, the claim must be in writing and filed with the [Plan Administrator](#). If a claim is denied for any reason, you or your beneficiary will be notified in writing of the denial within a reasonable time. The notification of denial will provide the specific reasons for the denial, including:

- ▶ References to the Plan provisions on which the denial is based;
- ▶ Additional information, if any, necessary to perfect the claim; and
- ▶ A description of the procedure for review of the denial.

Appeal of Claim

If your claim for benefits is partially or wholly denied by the [Plan Administrator](#), you or a duly authorized representative (as “claimant”) may request a review of the denial by filing a written application with the BNSF Employee Benefits Committee (EBC) within 60 days after receiving notice of the denial. Otherwise, your request for review will be time-barred.

A claimant is entitled to review pertinent Plan documents and submit written issues and comments to the EBC. The EBC, within a reasonable time after it receives a request for review, will furnish the claimant with written notice of its decision, setting forth the specific reasons for the decision and references to the pertinent Plan provisions on which the decision is based. The claimant must furnish any evidence, data and information that may be required by the EBC.

The EBC's decision is final and binding and will exhaust the claimant's administrative remedies under the Plan. Afterwards, a claimant has 120 days after receiving notice of the second denial to file suit or be time-barred from further challenges.

OTHER IMPORTANT PLAN PROVISIONS, RULES AND CONSIDERATIONS

Future of the Plan	Burlington Northern Santa Fe, LLC, reserves the right to amend, modify or terminate the Plan at any time. If the Plan is terminated, BNSF has the right to adopt another plan and transfer accounts and benefits to that plan. If the Plan is terminated, you are immediately 100% vested in the value of the company contributions in your account, including any associated earnings. Federal law does not provide insurance for the Plan through the Pension Benefit Guaranty Corporation.
Qualified Domestic Relations Order (QDRO) Administration	Your Plan benefits may be attached through a qualified domestic relations order (QDRO) as part of a divorce settlement. To divide Plan assets, the QDRO must meet certain technical requirements, as provided by law. You should contact the QDRO Consultants Company at 800-527-8481 during normal business hours for model QDRO language and other details prior to obtaining a court order regarding Plan benefits. Your account is charged a fee for the reasonable expenses of determining the qualified status of a QDRO and its administration. The fee is deducted from the account before it is divided, unless otherwise specified by the QDRO.
	Your benefits under the Plan are not assignable, except through a QDRO, a federal tax lien or a federal statute. You cannot pledge your benefits as security for a loan, other than a loan from the Plan.
“Top-Heavy” Rules	A special set of rules applies in the unlikely event that the Plan is found to be “top-heavy.” The Plan is top-heavy if the aggregate account balances of plan participants who are key employees of BNSF exceed 60% of the account balances of all participants. If the Plan becomes top-heavy, your company matching contribution account vests at a faster rate and certain minimum contribution requirements may apply. You will be notified if these rules apply to the Plan.
Liens	Except for a federal tax lien, no person may create a lien or claim on the funds deducted from your pay under the Plan or on any funds held under the Plan, including claims for alimony or spousal support.
Military Provisions	If a participant who dies or becomes disabled while performing qualified military service, the survivors of the participant are entitled to any benefits provided under the Plan as if the participant had resumed employment and then died or become disabled.

An individual receiving a differential wage payment for military service will be treated as an employee, and the differential wage payment will be treated as [compensation](#) to the extent the payment does not exceed the amount the individual would have received had he or she continued to as an employee.

ADMINISTRATIVE INFORMATION

The Plan is administered by the Vice President and Chief Human Resources Officer of BNSF. The [Plan Administrator](#) determines and carries out all rules necessary to operate the Plan and makes decisions about the interpretation or application of Plan provisions and decides all questions about the rights, benefits or eligibility of employees, [plan participants](#) and [beneficiaries](#). Benefits under the Plan are paid only if the Plan Administrator, at his/her discretion, determines that the participant, beneficiary, other individual or the participant's estate is entitled to them.

The Plan Administrator has full authority to act at his/her discretion when carrying out the provisions of the Plan. Any decisions made by the Plan Administrator in good faith are final and binding on all parties.

Name of Plan	Burlington Northern Santa Fe Investment and Retirement Plan
Plan Number	<ul style="list-style-type: none"> ▶ Plan number for U.S. Department of Labor purposes: 002 ▶ Plan number for enrollment with Vanguard: 091565
Type of Plan	The Plan is a defined contribution stock bonus and 401(k) plan with an employee stock ownership plan feature that is an employee pension benefit plan as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974.
Name and Address of Plan Sponsor	<p>Burlington Northern Santa Fe, LLC 2650 Lou Menk Drive Fort Worth, TX 76131</p> <p>Plan participants and beneficiaries may get a complete list of participating employers by written request to the Plan Administrator or by calling the BNSF Benefits Help Line at 800-234-1283, option 6. The list also is available from either source for onsite examination.</p>
Employer Identification Number of Plan Sponsor	27-1754839
Name of Trusts	BNSF 401(k) Plans Master Trust and BNSF Investment and Retirement Plan Trust Plan benefits are funded through the trusts.
Name and Address of Trustee	Vanguard Fiduciary Trust Company 500 Admiral Nelson Drive Malvern, PA 19355

Name, Vice President and Chief Human Resources Officer
Address and BNSF Railway Company
Telephone 2301 Lou Menk Drive
Number of Plan Fort Worth, TX 76131
Administrator 800-234-1283

Agent for Executive Vice President-Law & Government Affairs and Secretary
Service of BNSF Railway Company
Legal Process 2650 Lou Menk Drive
(Legal process Fort Worth, TX 76131
may also be
served upon
the Plan
Administrator
or the Trustee)

Plan Year The plan year is the calendar year.

YOUR RIGHTS UNDER ERISA

As a [plan participant](#), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ([ERISA](#)). ERISA provides that you may:

- ▶ Examine, without charge, at the [Plan Administrator](#)'s office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports.
- ▶ Obtain copies of all Plan documents and other information upon written request to the Plan Administrator and payment of a copying charge of 25 cents for each page of any documents you request.
- ▶ Receive a summary of the Plan's annual financial report from the Plan Administrator.
- ▶ Upon written request to the Vanguard, obtain, once a year and without charge, a statement showing the [vested](#) portion of your account balances under the Plan. If you do not have a vested benefit, the statement will tell you how long you have to work to earn a vested benefit.

Under ERISA, the individuals responsible for operation of the Plan ("fiduciaries") have a duty to act prudently and in the best interest of plan participants and [beneficiaries](#). Of course, BNSF and the [Trustee](#) administer the Plan in a fair and nondiscriminatory manner and take such steps as are necessary to ensure that your interest and rights under the Plan are protected at all times.

No one will discriminate against you in any way for exercising your rights under ERISA, and, if necessary, there are several steps you may take to enforce these rights. For instance, if you request Plan documents from the Plan Administrator and such documents are not mailed to you within 30 days because of the Plan Administrator's fault, you may file suit in federal court to obtain them and, if the court finds that you are entitled to the documents, it can order the Plan Administrator to furnish them to you and, in some instances, could require the Plan Administrator to pay you up to \$110 a day until you receive the documents.

If you file a written claim for benefits under the Plan and the claim is denied, you will receive a written explanation of the reason for the denial and, within 60 days thereafter, you may make a written request to the Employee Benefits Committee (EBC) for review and reconsideration of the claim. You may obtain all documents relating to this decision without charge. If you are dissatisfied with the Plan Administrator's decision, you may file suit to obtain your benefits in a state or federal court. In addition, if you disagree with the Plan's decision concerning the qualified status of a domestic relations order, you may file suit in federal court. In both cases, you must, within 120 days, file suit or be time-barred from further challenges.

If Plan [fiduciaries](#) should misuse the assets of the Plan, or if you have other complaints about the Plan or your treatment as a [plan participant](#), you may seek assistance from the U.S. Department of Labor or bring an action in federal court. The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. However, if you are unsuccessful, the court may order you to pay the costs and fees of the person you have sued. These costs can be considerable. The Plan Administrator must take any legal action necessary to protect the Plan and its participants against frivolous suits.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions concerning the above or your rights under [ERISA](#), you can contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor, or you may contact the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. The [following list](#) identifies the EBSA offices. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the EBSA publications hotline at 866-275-7922.

WHOM TO CONTACT FOR ASSISTANCE WITH QUESTIONS



For questions about the enrollment process, your eligibility for the Plan, your account, investments, loans, withdrawals and all other matters related to Plan transactions, call Vanguard at 800-523-1188 during normal business hours.

If you have questions about the above information or your rights under [ERISA](#), or if you need assistance in obtaining documents from the [Plan Administrator](#), you should contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration (EBSA), U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. The following list identifies the EBSA offices at the time this SPD was published. For the most recent list, look on the EBSA website at dol.gov/ebsa for EBSA Regional Offices. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 866-275-7922.

OFFICES OF THE EMPLOYEE BENEFITS SECURITY ADMINISTRATION, U.S. DEPARTMENT OF LABOR

Atlanta Regional Office
61 Forsyth Street, S.W.
Suite 7B54
Atlanta, GA 30303
Phone: 404-302-3900

Dallas Regional Office
525 S. Griffin Street
Room 900
Dallas, TX 75202-5025
Phone: 972-850-4500

Philadelphia Regional Office
170 S. Independence Mall West
Suite 870 West
Philadelphia, PA 19106-3317
Phone: 215-861-5300

Boston Regional Office
15 New Sudbury Street
Room 575
Boston, MA 02203
Phone: 617-565-9600

Kansas City Regional Office
2300 Main Street
Suite 1100
Kansas City, MO 64108
Phone: 816-285-1800

San Francisco Regional Office
90 7th Street
Suite 11-300
San Francisco, CA 94103
Phone: 415-625-2481

Chicago Regional Office
230 S. Dearborn Street
Suite 2160
Chicago, IL 60604
Phone: 312-353-0900

Los Angeles Regional Office
35 N. Lake Ave.
Suite 300
Pasadena, CA 91106
Phone: 626-229-1000

Seattle District Office
300 Fifth Avenue
Suite 1110
Seattle, WA 98104
Phone: 206-757-6781

Cincinnati Regional Office
1885 Dixie Highway
Suite 210
Ft. Wright, KY 41011-2664
Phone: 859-578-4680

Miami District Office
1000 S. Pine Island Road
Suite 100
Plantation, FL 33324
Phone: 954-424-4022

Washington, D.C. District Office
1335 East-West Highway
Suite 200
Silver Spring, MD 20910
Phone: 202-693-8700

New York Regional Office
33 Whitehall Street
Suite 1200
New York, NY 10004
Phone: 212-607-8600

FREQUENTLY ASKED QUESTIONS AND ANSWERS

General

1. What if I do not want to be automatically enrolled in making 401(k) contributions?

Starting a new job is a particularly busy and consuming time. Automatic enrollment in employee contributions is intended to ensure that new participants don't inadvertently miss out on receiving the maximum rate of BNSF's 401(k) contributions. You may opt-out of making contributions by notifying Vanguard at any time. However, to opt out before automatic enrollment takes effect, you must contact Vanguard within 30 days after your salaried hire date. Call Vanguard at 800-523-1188, Monday through Friday, 7:30 a.m. to 8 p.m., Central time. You will need your Vanguard VOICE™ personal identification number (PIN) provided in the enrollment kit mailed from Vanguard, your Social Security number and BNSF Plan number 091565.

2. Will my Plan contributions be continued if I am disabled?

No, your contributions and BNSF's Matching Contributions will not be made during any period while you are receiving long-term disability benefits from the *BNSF Long Term Disability Insurance Program* or have a determination of *disability*.

You may elect to take a *distribution* from your account balances if you become eligible for benefits under the BNSF Long Term Disability Insurance Program or you receive a determination of disability from the Railroad Retirement Board or Social Security Administration.

3. How do I access my account information?

Go to vanguard.com/retirementplans. For security, you must register your account and use a secure browser. When you register for the first time, you will need your Social Security number, plan number (091565) and, if enrolling by phone at 800-523-1188, your Vanguard VOICE™ personal identification number (PIN) provided in the enrollment kit sent from Vanguard. During the initial registration process, you select a confidential user name. After completing this process, you will receive a system-generated password via the U.S. Postal Service.

You may also access your account 24 hours a day by phone at 800-523-1188. Service representatives are available to assist you during normal business hours. At this number you may also request a paper statement of your account to be mailed.

4. Why does Vanguard keep track of my company stock holdings in the form of units in a trust rather than an actual number of shares?

The BRK Class B Stock Fund is administered as a unitized fund. It invests primarily in the BRK Class B stock, but maintains a small cash position which is used to simplify transaction processing and reduce trading costs. *Participants* who invest in the BRK Class B Stock Fund own units of the fund. Each fund unit consists of shares of BRK Class B stock and a small cash balance. The unit value may change daily, primarily due to changes in the market value of the fund's *underlying securities*.

5. What happens if I go on military leave?

The Plan is operated in compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

- ▶ If you receive Make Whole Pay during your qualified uniformed services leave, that amount will be considered [compensation](#) under the Plan and from which you may make per-pay-period contributions and receive company Matching Contributions. The company also will make Core Contributions each pay period based on the Make Whole Pay you receive.
- ▶ If you return to work from a qualified uniformed services leave, you may be permitted to “make up” any contributions that you otherwise could have made during the period of your military leave. If you make up [before-tax](#) and/or [Roth](#) contributions, you receive corresponding company Matching Contributions (if otherwise eligible) in accordance with the Plan. The company also will make Core Contributions to your account based on the difference between the BNSF Make Whole Pay that you received while on MLOA and your rate of pay as of the date you went on MLOA.

If you are called to active uniformed services duty and have a Plan loan outstanding:

- ▶ To the extent that you are receiving sufficient pay, loan repayments will continue through payroll deduction during the paid period of military leave.
- ▶ To the extent you are not receiving sufficient pay, your loan payments will be suspended for the duration of your military leave. If the interest rate is greater than 6%, Vanguard will re-amortize the loan at 6% for the period of your military service. This suspension also extends the term of the loan, although interest continues to accrue at the loan interest rate, subject to the maximum rate allowed by law during military service.

For unpaid military leave, your loan repayments will be suspended for the remainder of your military leave period. You may elect to exercise your right to make scheduled loan repayments by calling Vanguard at 800-523-1188 during normal business hours. If you do not make all of the payments due during the military leave of absence, the loan will be [re-amortized](#), and loan repayments through payroll withholding will re-start when you return from leave.

6. If I request a transfer into the BRK Class B Stock Fund, at what closing price will I purchase shares?

If your request for a transfer into or out of the BRK Class B Stock Fund is received by Vanguard by 4:00 p.m. Eastern time, you will generally receive the closing price of the stock on the day you make the request. If the request is received after 4:00 p.m. Eastern time, you generally receive the next day’s closing price. However, an extraordinary level of participant transaction activity or Plan administrative requirements (as determined in the discretion of the [Plan Administrator](#)) could cause the unit value for participant transactions to be determined by the sale or purchase prices of transactions executed on one or more days following receipt of your direction. The unit value then would be based on the execution prices realized by the fund. Due to extraordinary Plan changes or activity, the Plan Administrator may impose limitations on trading into or out of this fund.

Loans and Withdrawals

7. May I apply for a hardship withdrawal without first taking out a loan?

Yes. You may take a [qualified hardship withdrawal](#) without first taking a loan from your account. However, you may be required to take certain in-service distributions as noted in the [Withdrawals section](#).

8. May I apply for a loan and a withdrawal the same month?

Yes – up to a maximum of one loan, one withdrawal of non-Roth after-tax contributions, and one hardship withdrawal in the same calendar month.

- ▶ You may have no more than two loans outstanding at any one time.
- ▶ You may take no more than one loan in a calendar month.
- ▶ You may not take a loan in the same calendar month that you request an [age 59½ withdrawal](#) or that an [age 59½ distribution](#) is made from your account.

9. May I withdraw only my after-tax contributions and not incur a tax liability?

Non-Roth After-tax Contributions – Yes, but only up to the amount of your [after-tax contributions](#) made before Jan. 1, 1987. For after-tax contributions made after 1986, if you have any earnings in your after-tax account, a portion of the [withdrawal](#) must include a pro-rata share of those earnings. The earnings portion is taxable as ordinary income and possibly subject to an additional 10% federal income tax for early distribution.

Roth Contributions – Yes, but only if the initial [Roth contribution](#) was made at least five years prior to the [withdrawal](#) and you are at least age 59½.

10. How long does it take to receive a non-Roth after-tax or hardship withdrawal?

Once Vanguard has received your completed documents, an electronic bank transfer into your account, if requested, usually will be received within two to three business days. Checks sent by mail may take seven to 10 business days.

11. May I take a distribution of my Plan account if I go on a leave of absence?

No. You are not eligible for a [distribution](#) until the effective date of your termination of employment, your [disability](#) or your retirement. However, you may be eligible for a [withdrawal](#).

12. Why can't I withdraw my before-tax or Roth contributions whenever I need the money?

Federal law prevents the [withdrawal](#) of tax-advantaged, [before-tax](#) and [Roth](#) contributions except in the case of [qualified financial hardship](#) as defined in U.S. Treasury regulations. You should consider your before-tax and Roth contributions to the Plan as long-term savings for your retirement.

13. What happens if I am on a leave of absence and do not make loan payments?

Whether you are active or on a leave of absence (except military leave as described under [question 5](#) of this section), if you miss scheduled loan payments, it is your responsibility to make up all missed payments by the end of the calendar quarter following the quarter in which the missed payment(s) were due. If the payment(s) are not received in time, the outstanding loan balance and accrued interest will be deemed to have been distributed to you (“[deemed distribution](#)”) and will be taxable income reported on Form 1099-R. The distribution also may be subject to the additional 10% federal tax for early distributions.

After I Leave the Company

14. What happens if I have a Plan loan that is outstanding at the time of my termination of employment?

You have several options:

- ▶ You may choose not to pay off the unpaid loan balance and the distribution you receive will be reduced accordingly. However, the unpaid loan amount will be treated as a taxable distribution.
- ▶ You may repay the unpaid loan balance and any accrued interest before taking a Plan distribution. This would allow you to avoid taxation of the unpaid amount if you then roll over the Plan distribution into an IRA or other employer’s qualified plan.
- ▶ If you need additional time to acquire funds to pay off the unpaid loan and thereby avoid or lessen taxation of a distributed unpaid loan balance, you may take a distribution of your Plan account (reduced by the unpaid loan balance), then roll over into an IRA all or a portion of the distributed unpaid loan amount by the federal deadline. That deadline is the due date (including extensions) for filing your federal income tax return for the taxable year in which the amount is treated as distributed.

Plan distributions, including unpaid loans, are subject to regular income taxes and, possibly an additional 10% federal tax on early distributions, on taxable amounts that are not rolled over into an IRA or another employer’s qualified plan.

15. Must I receive a distribution from the Plan when my employment ends?

No. While you may receive a final [distribution](#) in a lump-sum payment or as a direct [rollover](#) to an IRA (including a Roth IRA, if appropriate) or to another qualified plan, there are other alternatives available. If your account balance is more than \$5,000, you may defer all or a portion of your distribution. You may request a final distribution at any time. You must comply with federal minimum distribution requirements that take effect April 1 of the year following the year in which you reach age 70½.

16. How long does it take to process a request for final distribution from the Plan?

About 30 days after your termination of employment, BNSF notifies Vanguard. Within a few days, Vanguard mails you a termination kit indicating your options and how to make your elections through vanguard.com/retirementplans or by calling Vanguard at 800-523-1188. Some [distribution options](#) can be finalized by telephone, but if the option you select requires signed documentation, the final [distribution](#) is processed as soon as possible after Vanguard receives the documents. If you elect to receive shares of stock, your shares will be registered at Berkshire Hathaway via the

Direct Registration Service. The Direct Registration Service will notify you once your shares are registered. If you want to receive stock certificate(s), contact the Direct Registration Service. You should consult with your professional tax advisor before requesting a final distribution. During the time required to process your distribution check, investment performance (gains, losses, earnings or dividends) is recognized up to the valuation date of the distribution. After the valuation date of the distribution, investment performance is not recognized.

Plan-to-Plan Transfers

17. May I transfer my non-salaried (“scheduled”) employee 401(k) account balance at Vanguard into my salaried account?

Yes. If you have a balance in the BNSF **non-salaried** plan at Vanguard, you may transfer that account into your BNSF **salaried** 401(k) Plan account at any time by calling Vanguard at 800-523-1188 during normal business hours. You must have made contributions to your salaried 401(k) Plan account, and must not have more than two loans outstanding between the two plans.

Converting Other Contributions to Roth Contributions

18. May I convert some or all of my before-tax and/or non-Roth after-tax contributions to Roth contributions?

Yes. To convert **before-tax** and/or **non-Roth** after-tax money to **Roth** money while it is still in the Plan, you must be eligible due to a “distributable event.” Generally, a distributable event means you have access to your retirement plan assets, either because you:

- ▶ No longer work for BNSF,
- ▶ Are an employee age 59½ or older, or
- ▶ Are an employee with non-Roth after-tax money you wish to convert.

Before-tax accounts and earnings on non-Roth after-tax accounts would be taxable to you if converted to Roth money. Since there may be significant current and future tax consequences involved in a Roth conversion, *you are strongly advised to consult with a tax professional before beginning this process.*

2019 Retirement Benefit Program Changes

19. How does the 401(k) Plan differ going forward?

Going forward:

- ▶ BNSF will fund a foundation of retirement savings through a 401(k) Core Contribution.
- ▶ BNSF will continue to reward you with Matching Contributions as you save for your future.
- ▶ You control how Core Contributions and all your 401(k) funds are invested.
- ▶ You can take all these resources with you if you leave BNSF.

20. What's the vesting period for Core Contributions?

You become 100% vested after three years of [vesting service](#), or when you reach age 65, become disabled or die. If you already have three years of vesting service when you begin receiving Core Contributions, you will be 100% vested in them from the start.

21. Will Core Contributions be taxable when I withdraw funds during retirement?

Yes, like company Matching Contributions and your before-tax contributions, Core Contributions are taxable when distributed to you.

22. Matching Contributions have been very important to building my 401(k) account over the years. Does anything change about them?

No. There is no change to BNSF's match of \$0.75 for every \$1 you contribute on a before-tax and/or Roth basis, up to the first 6% of your eligible [compensation](#).

23. How is the dollar amount of my Core Contribution calculated? What compensation is included in the calculation?

Your years of age + years of service are calculated each year to determine your Core Contribution rate for that year (3%, 4% or 5%). For example, the rate of your Core Contribution throughout 2020 will be based on your projected age + service years (whole and fractional) as of December 31, 2020. That rate is applied against your Plan compensation to arrive at the amount of your Core Contribution. Plan compensation includes your base salary¹² and actual ICP. However, Core Contributions or Matching Contributions cannot be made on compensation over the IRS limit (\$280,000 for 2019).

24. What if I get a salary increase midway through the year?

Your Core Contribution rate for the year (3%, 4% or 5%) is applied to your eligible compensation each pay cycle. Any change in pay will affect your Core Contribution amount commensurately.

25. May I access Core Contributions if I want to take a loan or hardship withdrawal from the 401(k)?

Core Contributions are not available for loan or hardship withdrawal, but may be withdrawn at age 59½ or in the event of a qualifying disability. You may continue to access loans and hardship withdrawals from your own 401(k) contributions and the vested portion of your company Matching Contributions.

26. Do Core Contributions count toward IRS maximums on the contributions I can make to the 401(k)?

Core Contributions do not affect your combined total before-tax contributions and/or Roth contributions that are annually limited by the IRS (\$19,000 for 2019). However, if you are contributing on a non-Roth after-tax basis, an additional, separate IRS limit applies to all employee and company contributions; that limit is \$56,000 for 2019. If you exceed that limit, you may receive a refund of any of your contributions exceeding that amount.

¹² And overtime pay, sales commissions and similar sales-based compensation, if applicable.

27. Will Core Contribution dollars in my account be tracked separately from my other 401(k) contributions?

Yes. Core Contribution dollars are tracked separately by Vanguard. Please note that your investment elections will apply uniformly across all types of contributions in your 401(k) account.

28. How do the retirement benefit changes apply to [non-salaried](#) (“scheduled”) employees who promote into a salaried role after March 31, 2019?

Anyone who enters into a [salaried](#) position after March 31, 2019, will participate in the 401(k) Plan. The Pension Plan is closed to new participants after this date, including prior participants.

29. Whom do I contact if I have questions?

- ▶ Questions specifically about the 401(k) Plan such as contributions, investments and how the Plan works – Call Vanguard at 800-523-1188.
 - ▶ Pension Plan benefits or election-related questions – Call the Pension Center at 800-811-0687. Representatives are available from 8 a.m. to 6 p.m. Central time. You may also use Pension Center online Message Center at bnsfpensioncenter.ehr.com.
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DEFINED TERMS

About These Terms

The following definitions of certain words and phrases will help you understand the Plan provisions to which the definitions apply.

Affiliated company – Burlington Northern Santa Fe, LLC (BNSF), and every company or business which is under common control with BNSF, as defined in the Internal Revenue Code.

Alternate payee – A person named in a [Qualified Domestic Relations Order \(QDRO\)](#) to receive a portion of a [plan participant's](#) account as the result of a divorce decree or other domestic relations order.

Compensation – A [plan participant's](#) base salary, overtime pay if applicable, sales commissions and similar sales-based compensation if applicable, and any cash awards paid under the BNSF [Incentive Compensation Plan \(ICP\)](#).

Deemed distribution – A defaulted plan loan that is reported to the IRS as a taxable [distribution](#) from the Plan on Form 1099-R.

Default investment alternative – The [Vanguard Target Retirement Trust](#) fund with a date closest to the [plan participant's](#) normal retirement date.

Disabled, Disability – Means the Railroad Retirement Board or Social Security Administration has provided a written determination that you qualify for disability benefits, or if you qualify for benefits under the [BNSF Long Term Disability Insurance Program](#) for salaried employees.

ERISA – The Employee Retirement Income Security Act of 1974, as amended.

Fiduciary – An individual responsible for the operation of the Plan.

ICP – BNSF Incentive Compensation Plan.

Non-salaried employee – An employee in a non-salaried (or “scheduled”) position who is covered by a collective bargaining agreement.

Normal retirement date – Plan participant's 65th birthday.

Plan Administrator – The Vice President and Chief Human Resources Officer.

Plan participant – An employee regularly assigned to a salaried position of BNSF or to another participating employer who is eligible for and has requested participation in the Plan.

Qualified Domestic Relations Order (QDRO) – A legal document that governs how a participant's Plan account will be divided as the result of a divorce decree or other domestic relations order.

Qualified retirement plan – A retirement plan qualified for favorable tax treatment by the Internal Revenue Code.

Qualifying financial hardship – See Hardship Withdrawal in the section of this SPD entitled [Withdrawals](#).

Re-amortized – The process of recalculating the series of payments required to pay off a loan.

Rollover – A non-taxable transfer of a distribution directly from one qualified plan to another qualified plan.



Previous view: Return to your previous page by right clicking and selecting the “previous view” option.

To add the handy “previous view” button to your toolbar, open your Adobe Reader tools and select Page Navigation, then Previous View.

Salaried employee – An employee in a salaried position who is not covered by a collective bargaining agreement.

Scheduled employee – Any employee who is covered by a collective bargaining agreement.

Spouse, spousal – Refers to any person who is married to a Plan participant under the laws of the state where the marriage was contracted and the marriage remains legally effective, or in the case of a deceased participant, the marriage was legally effective at the time of the participant's death.

Trustee – Vanguard Fiduciary Trust Company.

Vest, vesting, vested – The process of gaining ownership in BNSF Core Contributions and Matching Contributions to the Plan over a period of BNSF employment.

Vesting Service – See the section of this SPD titled *Vesting and Your Vested Interest*.

This document constitutes part of the prospectus covering securities that have been registered under the Securities Act of 1933. This document supersedes any prior plan prospectus or supplements thereto.

**SUPPLEMENT TO THE
BURLINGTON NORTHERN SANTA FE
INVESTMENT AND RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION**

April 1, 2019

This document constitutes part of the prospectus covering securities that have been registered under the Securities Act of 1933, as amended. This document supersedes any prior plan prospectus or supplements thereto.

The date of this Supplement is April 1, 2019.

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COPIES OF DOCUMENTS INCORPORATED BY REFERENCE AND REPORTS TO PLAN PARTICIPANTS

Certain of the capitalized terms which are used in this Supplement are defined in the Burlington Northern Santa Fe Investment and Retirement Plan (the “Plan”), a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended, or in the [Summary Plan Description](#) (SPD) of the Plan. The Plan became effective as of Jan. 1, 1997, and has been amended and restated since that date. Participants’ future elections which are to be effective after the date of this Supplement will be governed by the terms of the Plan as so amended and restated.

Burlington Northern Santa Fe LLC (“BNSF”) will deliver without charge to each person who has received a copy of the [SPD](#) and this Supplement, upon the written or oral request of any such person, a copy of the Plan, Berkshire Hathaway Inc.’s annual report to stockholders for its latest fiscal year and a copy of any or all of the documents which have been or may be incorporated by reference into the registration statement on Form S-8, as amended, filed by Berkshire Hathaway Inc. with the Securities and Exchange Commission with respect to the Plan, other than exhibits to such documents (unless such exhibits are also incorporated therein by reference). BNSF hereby further undertakes to deliver or cause to be delivered to all participants who have an interest in the Berkshire Hathaway Class B Stock Fund (“BRK Class B Stock Fund”) (and any other participants who request such information orally or in writing), who do not otherwise receive such material, copies of all reports, proxy statements and other communications distributed by Berkshire Hathaway Inc. to its stockholders, generally no later than the time such materials are first sent to its other stockholders.

All such written or oral requests shall be made to the BNSF Human Resources Department, 2301 Lou Menk Drive, Fort Worth, TX 76131 (telephone 800-234-1283).

Other than for the BRK Class B Stock Fund, prospectus and fund information can be obtained directly from Vanguard by calling 800-523-1188 or writing to: The Vanguard Group, P.O. Box 2900, Valley Forge, Pennsylvania 19482-2900. Vanguard may also be contacted at vanguard.com/retirementplans.

ADDITIONAL INFORMATION REGARDING THE INVESTMENT FUNDS

There are 12 investment funds, plus a range of age-based Target Retirement Trust funds that are currently available under the Plan.

The BNSF Employee Benefits Committee or its delegate reserves the right to add or change investment funds available under the Plan. In addition, the target compositions of the portfolios described below may be changed from time to time. Participants will receive prior notice of any such additions or changes.

Purchase of shares of Berkshire Hathaway Class B common stock (“common stock”) for the Berkshire Hathaway Class B Stock Fund will be made on the open market. The selection by Vanguard Fiduciary Trust Company, the Plan’s [trustee](#) (the “Trustee”), of a broker to execute transactions on a national securities exchange will be made on the basis of the broker’s ability to secure favorable net results for the Plan with respect to such transactions. The Berkshire Hathaway Class B Stock Fund will be responsible for the fees in connection with such investments.

INVESTMENT FUNDS

The investment funds available under the Plan are as follows:

- *Fixed Fund* – Seeks to provide current and stable income, while maintaining a stable share value of \$1.
- *Metropolitan West Total Return Bond Fund Plan Class* – Seeks to maximize long-term total return.
- *Vanguard® Total Bond Market Index Fund Institutional Plus Shares* – Seeks to track the performance of a broad, market-weighted bond index.
- *Vanguard® Wellington™ Fund Admiral Shares* – Seeks to provide long-term capital appreciation and reasonable current income.
- *Vanguard® Target Retirement Trust funds* – The Vanguard® Target Retirement Income Trust Plus fund seeks to provide current income and some capital appreciation, while each of the other Target Retirement Trust funds seek capital appreciation and current income consistent with its current asset allocation. You pick the fund that is closest to your expected retirement date; the mix of investments in the fund is gradually and automatically adjusted to become more conservative as your retirement nears:
 - Vanguard® Target Retirement Income Trust Plus
 - Vanguard® Target Retirement 2015 Trust Plus
 - Vanguard® Target Retirement 2020 Trust Plus
 - Vanguard® Target Retirement 2025 Trust Plus
 - Vanguard® Target Retirement 2030 Trust Plus
 - Vanguard® Target Retirement 2035 Trust Plus
 - Vanguard® Target Retirement 2040 Trust Plus
 - Vanguard® Target Retirement 2045 Trust Plus
 - Vanguard® Target Retirement 2050 Trust Plus
 - Vanguard® Target Retirement 2055 Trust Plus
 - Vanguard® Target Retirement 2060 Trust Plus
 - Vanguard® Target Retirement 2065 Trust Plus
- *Vanguard® Windsor™ II Fund Admiral Shares* – Seeks to provide long-term capital appreciation and income.
- *Vanguard® Institutional 500 IndexTrust* – Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.
- *Vanguard® Extended Market Index Fund Institutional Shares* – Seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.
- *Wellington™ Diversified Growth Portfolio; Series 2* – Seeks to provide long-term total return in excess of the Russell 1000 Growth Index.
- *Dimensional Fund Advisors (DFA) US Small Cap Portfolio, Institutional Class Shares* – Seeks long-term capital appreciation.
- *Vanguard® International Growth Fund Admiral Shares* – Seeks to provide long-term capital appreciation.
- *Vanguard® Total International Stock Index Fund Institutional Shares* – Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

- *Berkshire Hathaway Class B Stock Fund* (“*BRK Class B Stock Fund*”) – Seeks to provide long-term growth of capital by investing almost exclusively in Berkshire Hathaway Class B common stock. To the extent that dividends are paid, dividends will be automatically reinvested in additional shares unless you elect to receive such dividends as cash.

Vanguard and *Windsor* are trademarks of The Vanguard Group, Inc. *Wellington* is a trademark of Wellington Management Company, LLP, and has been licensed for use by The Vanguard Group, Inc. Vanguard mutual funds are not sponsored, endorsed, sold or promoted by Wellington Management, and Wellington Management makes no representation regarding the advisability of investing in the funds. All other marks are the exclusive property of their respective owners.

Set forth in the [fact sheets](#) attached hereto, as well as available online at retirementplans.vanguard.com, and incorporated herein is additional information on the investment objectives, fund description, historical performance, fund management, valuation, and fees and expenses with respect to each of the investment funds.

The historical data provided in the [fact sheets](#) does not represent either an estimate or a guarantee of future market values or returns on the various investment funds. See also the section of this Supplement entitled “[Unit Accounting Procedures](#).”

The performance of your account is reported to you by means of a quarterly statement.

SHAREHOLDER RIGHTS WITH RESPECT TO BERKSHIRE HATHAWAY CLASS B STOCK FUND (“BRK CLASS B STOCK FUND”)

You have the right to direct the [Trustee](#) as to the exercise of all voting/tender rights with respect to common stock held in the BRK Class B Stock Fund which is represented by units of the BRK Class B Stock Fund allocated to your account, and such voting/tender rights will be exercised by the Trustee. In addition, the Trustee will vote shares of such common stock allocated to your account with respect to which the Trustee does not receive voting instructions in the same proportion as shares for which the Trustee received directions from participants. In the event of a tender offer for shares of common stock, if you do not instruct the Trustee to tender such common stock allocated to your account, the Trustee will not tender such shares. Any unallocated shares of common stock will be voted or tendered by the Trustee in the same proportion as shares for which the Trustee received directions from participants.

Your exercise of voting and tender rights with respect to the common stock held in the BRK Class B Stock Fund is kept confidential. To ensure confidentiality of participant voting or tender instructions, you will be provided with a form on which you can give confidential instructions to the Trustee by mail or telephone on how to vote or tender the number of shares of common stock allocated to your account. All such instructions are held in strict confidence and are not divulged to any person associated with BNSF or Berkshire Hathaway Inc., including the Employee Benefits Committee, and employees, officers and directors of BNSF or Berkshire Hathaway Inc. or their affiliates.

LIMITATIONS ON THE SALE OF COMMON STOCK ACQUIRED UNDER THE PLAN

Under the federal securities laws, directors, officers and other persons who are deemed to be “affiliates” of Berkshire Hathaway Inc. within the meaning of Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”), may sell shares of common stock, including shares acquired under the Plan, pursuant only to an effective registration statement under the Securities Act or an appropriate exemption from registration, such as Rule 144 of the Securities Act. For this purpose, an “affiliate” of Berkshire Hathaway Inc. is any person who controls, is controlled by or is under common control with Berkshire Hathaway Inc. If you are an affiliate of Berkshire Hathaway Inc., you should consult with counsel prior to making any sale.

In addition, the restrictions imposed by Section 16 of the Securities Exchange Act of 1934 (“Section 16”) upon any executive officer or director apply to common stock acquired under the Plan. In general, any acquisition of common stock under the Plan by an executive officer or director pursuant to a periodic payroll deduction, reinvestment of dividends or discretionary company matching contribution will be exempt from the short-swing liability and reporting provisions of Section 16. However, (i) acquisitions of common stock through transfers from one or more investment funds or [rollover](#) contributions to the BRK Class B Stock Fund or (ii) dispositions of common stock through transfers from the BRK Class B Stock Fund to one or more other investment funds or through a [withdrawal](#) or [loan](#) from the Plan may be subject to the short-swing liability (and will be subject to the reporting) provisions of Section 16. If you are subject to Section 16, you will not be able to execute transfers, withdrawals or loans on the Plan’s automated voice response system or [vanguard.com](#). All requests for transfers, withdrawals and loans must be made by requesting a form from Vanguard and must then be approved by the office of the BNSF General Counsel/Corporate Secretary.

UNIT ACCOUNTING PROCEDURES

General

Unit accounting is a method whereby each investment fund maintains an outstanding number of units. The unit price is determined by the [Trustee](#) each business day by dividing the fair market value of each investment fund, as determined by the Trustee for each business day, by the number of outstanding units. Cash invested in the investment fund is used to purchase units at the unit’s price as of the close of that day (see discussion on “Investment of New Cash Received by the Trust”). Cash to be withdrawn from the investment fund is equal to the number of units redeemed from the investment fund multiplied by the unit’s price as of the close of that day (see discussions on “[Rebalancing Your Account](#)” in this Supplement and “[Withdrawals](#)” in the SPD).

Investment of New Cash Received by the Trust

All contributions to the Plan will be invested by the [Trustee](#) based upon the unit or share price for each investment fund as of the day the investment is effective. The timing of each investment will depend upon when cash is made available to the Trustee and when your instructions are posted to the automated telephone system or [vanguard.com/retirementplans](#). Generally, if your instructions are posted by 4:00 p.m. Eastern time, cash made available to the Trustee for that day will be invested at the closing unit or share price for that same day. When cash is made available to the Trustee will depend upon several factors, including but not limited to the payroll practices of BNSF or the participating [affiliated company](#), the cooperation of the transferor of [rollover](#) contributions and the company’s discretion as to when company contributions are made. Your

instructions are posted to the automated telephone system or vanguard.com/retirementplans when you have completed the menu of questions and you have received a confirmation code for the transaction. In addition, in certain other circumstances, investment of assets may not be able to be processed for other reasons on the date desired by participants. (See “[Transfers of Assets – Potential Delays.](#)”)

Reinvestment of Fund Earnings

Investment fund earnings are generally reinvested in the investment fund which generated the earnings. However, if you are a participant in the BRK Class B Stock Fund at 4:00 p.m. Eastern time on the third business day prior to the record date for a dividend by Berkshire Hathaway Inc., you may elect to have that dividend reinvested in additional shares of common stock or distributed to you in cash after it is received by the Plan. Your election will be irrevocable with respect to each dividend on the business day which is the third business day prior to the date Berkshire Hathaway Inc. pays the dividend and may not be changed until after the second business day after the date Berkshire Hathaway Inc. pays the dividend (and your new election will only apply to subsequent dividends). In the absence of an election to have a dividend distributed in cash, you will be deemed to have elected to have such dividend reinvested in common stock.

Rebalancing Your Account

You will be able to rebalance the investment of your Plan account through the automated telephone system or vanguard.com/retirementplans. In rebalancing, funds are transferred among investment funds so that, as a result of all transfers, your Plan account is invested in investment funds in the desired percentages. Future additions to your Plan account, which are invested in accordance with your investment directions, and earnings or losses will cause the rebalancing percentages to change over time unless all of your account and future additions to your account are invested in a single portfolio. Generally, when your instructions to rebalance are posted in the automated telephone system or vanguard.com/retirementplans no later than 4:00 p.m. Eastern time, funds held in your Plan account on that day will be rebalanced based upon the closing unit/share price for each investment fund that same day.

Transfers of Assets — Potential Delays

Vanguard retains the right to not honor the Plan's [distribution](#) or [withdrawal](#) requests for certain reasons or to make distributions or withdrawals in kind. In such an event, the exercise of this right would affect all participants' rights under the Plan or cause the Plan to shut down transactions until cash is available. For more information, you should request a copy of the prospectus from Vanguard.

Also, sales of common stock in connection with the BRK Class B Stock Fund do not settle for cash for three business days without added expense. Therefore, if there is insufficient cash or cash equivalents in the BRK Class B Stock Fund to meet the amount of transfers to another investment fund and withdrawals, then the Plan may limit all transactions for that business day and each successive business day until sufficient cash is available.

When directed, the [Trustee](#) will direct purchases and sales of units or shares of the investment funds in accordance with the provisions of each underlying prospectus. The company and the Employee Benefits Committee have no control over the timing or manner of such purchases or sales. As a result, there may be delayed execution of some or all participant requests for some or all types of transactions in the Plan for that day, and perhaps subsequent days, even if

participants have already posted instructions in the automated telephone system or returned a form to Vanguard.

If the volume of purchases or sales in a unit or shares in one of the investment funds is limited or the Trustee otherwise cannot complete certain Plan transactions in one of the investment funds for that day, then as a result there may occur delayed execution of participant requests for transactions for that day which are affected by such investment funds. Transaction requests for that day which are not affected by such investment funds are expected to be processed on the date requested. For example, if the Trustee must limit the amount of sales or purchases of shares for the Vanguard International Growth Fund for a day, any participant investment or rebalancing directions requested which relate to the International Growth Fund may be delayed.

If a transaction is not processed on the day requested, the transaction will be completed as soon as administratively practical on the following or subsequent days. The transaction will be priced according to the unit or security prices in effect on the day the transaction is completed. Transactions requested in the days following a day the Trustee did not complete all transactions also may not be completed on the day requested if the processing of prior days' transactions is not completed.

The Automated Telephone System and Website

The automated telephone system and participant website (vanguard.com/retirementplans) are created and maintained by Vanguard to reflect the design features of the Plan. Service representatives are employees of Vanguard. Whenever a participant posts an instruction in the automated telephone system or website, it is Vanguard's responsibility to implement that instruction. For example, if a rebalancing election is requested, Vanguard will re-determine the number of units/shares outstanding in each investment fund and in the participant's Plan account, and direct the Trustee to purchase, if available, or sell units/shares in the affected investment funds or shares of common stock. Also, it is Vanguard's responsibility to implement, in a similar fashion, any form it receives from a participant.

FEDERAL INCOME TAX EFFECTS

Contributions and Distributions

Under the Internal Revenue Code (the "Code"), and subject to its nondiscrimination and other limitations, the amount which a participant elects to have his or her employer contribute to the Plan on his or her behalf as before-tax contributions (as such term is defined in the Code) (including [catch-up contributions](#)), all company matching contributions related to a participant's before-tax and Roth contributions, and company core contributions will not be subject to federal income taxes at the time of contribution. All before-tax participant contributions, company matching contributions, and company core contributions will be subject to federal income tax when distributed.

Subject to applicable limitations, participants may also elect to make Roth contributions (including Roth catch-up contributions) in lieu of, or in addition to, before-tax contributions. The amount which a participant elects to have contributed to the Plan on his or her behalf as Roth contributions (as such term is defined in the Code) (including Roth catch-up contributions) will be subject to federal income taxes at the time of contribution. Roth contributions and any investment earnings on Roth contributions will not be subject to federal income tax when distributed if the first Roth

contribution was made at least five years before the distribution and the participant is at least age 59½ at that time.

In certain circumstances summarized below, current income taxation may be deferred by a qualified [rollover](#) or a direct transfer to an eligible retirement plan (including an Individual Retirement Account (“IRA”) or a Roth IRA, if appropriate).

A participant’s before-tax contributions (including catch-up contributions) and Roth contributions (including Roth catch-up contributions) will be subject to Railroad Retirement or Social Security and Medicare taxes at the time contributed to the Plan. Before-tax contributions credited to a participant’s account generally are not taxable to the participant prior to the time such amounts are withdrawn by or distributed to the participant.

In general, before-tax contributions (including catch-up contributions), Roth contributions (including Roth catch-up contributions), company matching contributions, if any, and company core contributions if made within the time period specified by the Code, will be deductible, subject to the limitations of Code Section 404, by the contributing company for the tax year with respect to which the contributions are made.

Excess Before-tax and/or Roth Contributions by Any Participants

Before-tax contributions and Roth contributions, collectively, are limited under the Plan by the annual calendar year limit (specifically \$19,000 for 2019, subject to cost-of-living adjustments announced by the Secretary of the Treasury or his delegate for subsequent years, called the “contribution dollar limit”). To the extent permitted by law, before-tax contributions and Roth contributions which exceed the contribution dollar limit will be re-characterized as [catch-up contributions](#) in the case of participants who are eligible to make catch-up contributions. Before-tax contributions which continue to exceed the contribution dollar limit are known as “excess deferrals” and remain includable in the participant’s gross income in the calendar year in which they are contributed. Excess deferrals and/or excess Roth contributions could arise, for instance, if a participant also made tax-deferred contributions or Roth contributions under another qualified plan or if the contribution dollar limit were inadvertently exceeded under the Plan for a calendar year.

If any excess deferrals (and any earnings thereon) are not [distributed](#) to the participant by April 15 following the calendar year in which they are made, the excess deferrals will be subject to federal income tax for a second time when they are distributed. If the excess deferrals (and any earnings thereon) are distributed by April 15 of the following calendar year, such corrective distribution of excess deferrals will not be included in the participant’s gross income and will not be subject to the additional 10% income tax on distributions made before the attainment of age 59½ (as described later in this section). The amount of any earnings attributable to excess deferrals are calculated in accordance with the formula set forth in the Plan. Earnings on excess deferrals are taxable to the participant in the year of distribution.

Roth contributions which continue to exceed the contribution dollar limit will be distributed to the participant.

If the application of the contribution collar limit described above results in the distribution of excess deferrals and/or Roth contributions to any participant, company matching contributions, if any (and any earnings thereon) attributable to such distributed before-tax contributions or Roth contributions shall, if not distributed in satisfying Internal Revenue Code Section 401(m)

nondiscrimination limitations (as described in the paragraph captioned “Excess Matching Contributions for Highly Compensated Employees”), be forfeited.

Nondiscrimination Limitations

In order to ensure that the Plan does not discriminate in favor of highly compensated employees (HCEs), the Internal Revenue Code requires that the amount of before-tax contributions and Roth contributions (but not including [catch-up contributions](#)) for HCEs for each Plan Year be limited to the extent necessary to maintain the following ratios:

If the average percent of compensation deferred or contributed by participants who are not highly compensated employees (“NHCE Group”) is:	The average percentage of compensation deferred or contributed by participants who are HCEs cannot exceed:
Less than 2%	2 times the percentage for the NHCE Group
2% to 8%	The percentage for the NHCE Group plus 2%
More than 9%	1.25 times the percentage for the NHCE Group

A similar test must be applied to the total of company matching contributions and non-Roth after-tax contributions for the two groups of participants.

While numerous special rules apply, an HCE generally will be an employee (a) with [compensation](#) in the preceding year (i) in excess of a threshold amount (\$125,000 for 2019), and (ii) if the company elects, who is in the group consisting of the top 20% of all employees of the company when ranked on the basis of compensation paid during the year; or (b) who otherwise is “highly compensated” as determined under Section 414(q) of the Code and tax regulations thereunder. The dollar amounts in the previous sentence will be adjusted annually by the Internal Revenue Service for cost-of-living changes.

Excess Before-tax and Roth Contributions by Highly Compensated Employees

Before-tax contributions and/or Roth contributions which exceed the percentage nondiscrimination limits described above are known as “excess contributions.” To avoid adverse income tax consequences as described below, excess contributions (and any earnings thereon, calculated in accordance with the formula set forth in the Plan) must, within the first two and one-half months of the plan year after they arise, be [distributed](#) to the highly compensated employees (HCEs) for whom these were made, unless the affected company contributes timely sufficient special contributions on behalf of the non-highly compensated participant group so as to enable the before-tax contributions to comply with the nondiscrimination limits.

The before-tax contribution amount (plus earnings) and any earnings on Roth contributions distributed within such two and one-half month period generally will be includable in the HCE’s gross income in the calendar year in which distributed. If the distribution occurs after the end of the two and one-half month period but before the end of that plan year, the distribution will be includable in gross income in the calendar year in which the [distribution](#) occurs, and the company will be subject to a 10% excise tax on the excess contributions. If the excess contributions (and/or any earnings thereon) are distributed before the end of the plan year following the plan year in which the excess contributions were made, the Plan will not be disqualified (with the attendant

loss of favorable income tax treatment) under the Internal Revenue Code for exceeding the percentage limits.

If any before-tax contributions or after-tax contributions made by HCEs are distributed to such individuals in order to satisfy the Code Section 401(k) nondiscrimination limitations for a plan year, any matching contributions (and any earnings allocable to such contributions) attributable to distributed before-tax contributions or Roth contributions shall, if not distributed in satisfying the Code Section 401(m) nondiscrimination limitations (as described in the following section), be forfeited. The distribution of excess before-tax contributions (and any earnings thereon) and earnings on distributed Roth contributions in accordance with the conditions of this section of the Supplement will not be subject to the additional 10% premature distribution tax payable by the participant on certain distributions made before the attainment of age 59½ (as described in “Additional 10% Tax on Premature Distributions”).

Excess Matching Contributions for Highly Compensated Employees

If the limit on matching contributions for Highly Compensated Employees (HCEs) is exceeded, the excess amounts are known as “excess aggregate contributions.” Excess aggregate contributions (and any earnings thereon) must be timely eliminated to avoid adverse income tax consequences as described below. This elimination shall be accomplished by [distribution](#) to affected HCEs of their excess aggregate contributions (and any earnings thereon).

The excess aggregate contributions (and any earnings thereon, calculated in accordance with the formula set forth in the Plan) distributed within the first two and one-half months of the plan year after the excess aggregate contributions arise will be includable in the HCE’s gross income in the calendar year in which distributed. If the distribution occurs after the end of the two and one-half month period but before the end of that year, the excess aggregate contributions distributed will be includable in the HCE’s gross income in the calendar year in which the distribution occurs, and the company of such HCE will be subject to a 10% excise tax on the excess amounts. As long as the excess aggregate contributions (and any earnings thereon) are distributed before the end of the plan year following the plan year for which the excess amounts were contributed, the violation of the limits will not cause the Plan to be disqualified under the Internal Revenue Code for exceeding the percentage limits.

The distribution of excess aggregate contributions (and any earnings thereon) in accordance with the conditions of this section of the Supplement will not be subject to the additional 10% premature distribution tax payable by the participant on certain distributions made before the attainment of age 59½ (as described in “Additional 10% Tax on Premature Distributions”).

Roth Conversions

Participants may elect to convert before-tax or non-Roth after-tax accounts to Roth accounts within the Plan if they are eligible for a [distribution](#) under the Plan. Before-tax accounts and earnings on non-Roth after-tax accounts would be taxable to participants if converted to Roth accounts.

Distributions from Non-Roth After-tax Contribution Accounts

Special income tax rules apply to [distributions](#) from a participant’s non-Roth after-tax contribution account, including the rules described in the section titled “[Lump-Sum Distributions to Participants Born Before Jan. 1, 1936.](#)” An amount up to the outstanding principal balance (excluding

earnings) of the participant's non-Roth after-tax contribution account as of Dec. 31, 1986 can be withdrawn as a nontaxable recovery of the participant's investment under the Plan. To the extent that a participant's withdrawal exceeds the amount described in the immediately preceding sentence, a portion of the withdrawal generally will be treated as a distribution of earnings and will be taxable as ordinary income. The taxable portion of such a withdrawal or distribution depends upon the relative percentages of a participant's non-Roth after-tax contributions made after Dec. 31, 1986 and the earnings credited to the participant's non-Roth after-tax contribution account.

Distributions of Earnings from Roth Contribution Accounts

Special income tax rules apply to distributions of earnings from a participant's Roth contribution account. A distribution of earnings from a participant's Roth contribution account that is made less than five years after the first Roth contribution will be taxable as ordinary income.

Additional 10% Tax on Premature Distributions

In addition to regular federal income taxes, an additional 10% premature distribution tax applies to the taxable portion of many [distributions](#) made before age 59½. The additional 10% premature distribution tax does not apply to distributions on account of separation from service after age 55, distributions on account of death or [disability](#), distributions on account of deductible medical expenses and distributions resulting from certain other limited events. Also, any qualifying distribution which is directly transferred or timely rolled over to another qualified plan or an IRA is not subject to this additional tax.

Lump-Sum Distributions to Participants Born Before Jan. 1, 1936

If a [distribution](#) of the entire balance credited to an account is made to a participant or [beneficiary](#) within a single tax year of the participant or beneficiary by reason of the participant's death, [disability](#) or separation from service or after his or her attaining age 59½, the distribution may qualify as a lump-sum distribution eligible for special income tax treatment. The taxable amount of a lump-sum distribution is the portion in excess of contributions which have previously been taxed, such as any after-tax contributions. A special rule provides that an individual who was born before Jan. 1, 1936 may make a one-time election to use 10-year averaging (with 1986 tax rates) with respect to the taxable portion of his or her lump-sum distribution.

Rollovers

In the case of a [distribution](#) that qualifies as an eligible [rollover](#) distribution under the Internal Revenue Code, a participant may elect to have the [Trustee](#) transfer the distribution as a direct rollover to such participant's individual retirement account (IRA), Roth IRA, or another eligible retirement plan in accordance with applicable law. Taxable amounts transferred in a direct rollover to a regular IRA or to another eligible retirement plan will not be includable in the participant's gross income until distributed from the regular IRA or the other plan. Amounts transferred in a direct rollover from participant accounts other than the Roth contribution account to a Roth IRA will be includable in the participant's gross income at the time of the rollover to the Roth IRA, but, if certain requirements applicable to Roth IRAs are met, neither the amounts transferred nor any income generated by such amounts will be includable in the participant's gross income when distributed from the Roth IRA. If a participant elects to receive payment of an amount eligible for direct rollover, an amount will be withheld for federal income taxes from the taxable portion of such distribution. The participant can still roll over all or a portion of an amount that is paid to him

or her within 60 days, but if the participant wants to roll over the entire amount of the distribution, it would be necessary to use funds from another source to replace the amount that is withheld for taxes.

The surviving [spouse](#) or other [beneficiary](#) of a deceased participant or a former spouse who is an [alternate payee](#) under a [qualified domestic relations order \(QDRO\)](#) may also elect to directly transfer or roll over an eligible distribution to another eligible retirement plan or a regular or Roth IRA.

[Rollovers](#) to a regular IRA or another qualified plan generally are not taxable until they are distributed from the other qualified plan or regular IRA. However, if only part of a taxable distribution is rolled over to a regular IRA, Roth IRA or another qualified plan, the remaining taxable amounts will be taxable as ordinary income, and will not be eligible for the averaging rules described previously. Any portion of an eligible distribution which is made to a participant prior to attainment of age 59½ and which is not rolled over, will be subject to the additional 10% tax on premature distributions unless an exception applies.

The following types of payments cannot be rolled over:

- [Hardship withdrawals](#);
- Cash dividends paid currently on common stock, if so elected by a participant;
- Corrective distributions of excess deferrals, excess contributions or excess aggregate contributions;
- [Deemed distributions](#) of loans in default;
- Required minimum distributions (described below); and
- Payments that are part of a series of equal (or almost equal) payments that are made at least once a year and that will last for (i) a participant's lifetime (or a period measured by a participant's life expectancy), (ii) a participant's lifetime and the participant's beneficiary's lifetime (or a period measured by their joint life expectancies) or (iii) a period of 10 years or more.

For purposes of directing a transfer or making a [rollover](#) of an eligible rollover distribution, an eligible retirement plan includes a Code Section 403(b) annuity or a Code Section 457 governmental plan.

Mandatory Withholding

Any taxable part of a [distribution](#) that is eligible for [rollover](#) and that is not directly rolled over to another eligible qualified plan or an IRA will be subject to income tax withholding at a mandatory 20% rate (except that where all or a portion of a distribution is made in common stock, withholding cannot exceed the cash portion of the distribution). To the extent a distribution is not eligible for rollover, elective withholding rules apply. For example, hardship distributions are subject to federal income tax withholding at the rate of 10% unless the participant elects not to have withholding apply.

Required Minimum Distributions

Under the Internal Revenue Code, [distributions](#) of certain minimum amounts generally must begin by April 1 of the calendar year following the calendar year in which a participant who is not an employee attains age 70½.

If a participant dies after distributions were required to commence for tax law purposes, the remainder of the participant's Plan benefits generally are required to be distributed at least as rapidly as under the method of distribution used to comply with the minimum distribution requirements of the Code. The Plan provides for a distribution to the participant's [beneficiary](#) as soon as possible after the death of the participant.

A nondeductible 50% excise tax is imposed upon the participant or other payee on the excess of the amount required to be distributed under the Code and tax regulations over the amount actually distributed.

Distributions of Berkshire Hathaway Class B Common Stock

The recipient of a [distribution](#) may elect to receive such distribution in the form of shares of common stock. If such an election is made and the distribution is a lump-sum distribution, the taxable amount of the distribution will not include any net unrealized appreciation in the value of the shares (unless the participant elects on his or her income tax return not to have net unrealized appreciation apply with regard to the distribution). For purposes of the preceding sentence, "net unrealized appreciation" is the value of the shares of stock distributed from the participant's account as of the date of delivery of instructions to the transfer agent to issue shares to the participant over their cost when purchased on behalf of the participant. To the extent realized, any net unrealized appreciation is taxed as a long-term capital gain when the participant sells the shares.

Distributions While Employed by Other Berkshire Hathaway Companies

IRS rules generally prohibit participants from receiving benefits from the Plan while employed by any other company within the Berkshire Hathaway controlled group. Participants who become employed by a controlled group company should contact the [Plan Administrator](#) as soon as possible. Receipt of a prohibited distribution may result in adverse tax consequences. For a list of Berkshire Hathaway subsidiary companies, go to berkshirehathaway.com/subs/sublinks.html.

Loans

Loans made from the Plan are not intended to constitute a [distribution](#) or [withdrawal](#) from the Plan. Therefore, the proceeds of a loan from the Plan are not subject to federal income taxes. However, failure to pay a loan payment amount when due will cause the entire loan to be treated as a distribution or withdrawal subject to federal income taxes and will be reported by the trust to the IRS as such. If this occurs while the participant is still employed, there will be no cash distribution from the Plan, notwithstanding the [deemed distribution](#) or withdrawal of the loan amount, until funds under the Plan are otherwise available to be withdrawn by the participant. Also, special rules limit the deductibility of interest paid on loans from the Plan.

Federal Estate Taxes

In general, the amount of a participant's Plan benefit remaining unpaid at the time of the participant's death is includable in the participant's gross estate for federal estate tax purposes.

Unpaid benefit amounts payable to a participant's [beneficiary](#) may constitute income in respect of a decedent, and, accordingly, may be subject to the special rules governing such income.

General Tax Information and Disclaimer

The tax liability resulting from Plan [distributions](#) is, of course, the responsibility of the participant or [beneficiary](#). The previous description of federal income tax considerations is provided to assist the recipient. This description does not address the effects of foreign, state or local tax laws on the Plan or participation therein or explain beyond a minimal level any tax consequences pertaining to a participant's death. This description is based upon the law and U.S. Department of the Treasury regulations in effect on the date of this Supplement, and it should be understood that the foregoing is not exhaustive, that the law and Treasury Department regulations may change, and further, that special rules apply to situations not specifically discussed herein.

Because of the complexities involved in the application of the federal tax laws to specific circumstances, each participant or beneficiary is urged to consult with a tax advisor as to the application of such rules to such individual's specific circumstances, including the foreign, state and local tax treatment of distributions from the Plan and any estate, inheritance and other death taxes resulting from a participant's death.

APPLICABILITY OF ERISA

The Plan is subject to the reporting and disclosure rules of Part 1 of Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and Part 3 of Title II of [ERISA](#). In general, the Plan must comply with the minimum participation, [vesting](#) and other rules of Part 2 of Title I and Parts 1 and 2 of Title II of ERISA, to the extent they are applicable to individual account plans. The Plan is subject to the [fiduciary](#) responsibility rules of Part 4 of Title I and Section 2003 of Part 5 of Title II of ERISA, and the administration and enforcement rules provided in Part 5 of Title I of ERISA are applicable. In any request for a determination letter, the rules of Title III of ERISA relating to such requests are applicable. Since the Plan is an individual account plan, as defined in paragraph (34) of Section 3 of ERISA, pursuant to ERISA Section 4021, the provisions of Title IV of ERISA are not applicable to the Plan (and will not be extended to participants), and, therefore, no premiums will be paid to the Pension Benefit Guaranty Corporation (PBGC), and no benefits will be guaranteed by such corporation. The Plan is not subject to Part 3 of Title I of ERISA, and its protections will not be extended to participants.