

Singapore Employee Investment Plan Guidelines and Procedures

This document provides the general rules and guidelines pertaining to the Employee Investment Plan (EIP) extended by Caterpillar Inc. to eligible employees of the following affiliated companies based in Singapore:

- 1) Caterpillar Asia Pte Ltd
- 2) Caterpillar Financial Services Asia Pte Ltd
- 3) Caterpillar Marine Asia Pacific Pte Ltd
- 4) Perkins Engines Asia Pacific Pte Ltd
- 5) Caterpillar Energy Solutions Asia Pacific Pte Ltd
- 6) Solar Turbines International Company

For sake of brevity, the above companies are referred to singularly as the 'Company' and together as 'Companies'.

1. About Employee Investment Plan

The Employee Investment Plan, also referred to as the "Employee Stock Purchase Plan" or "ESPP" on the E*TRADE website, is designed to help employees of the Companies to achieve ownership interest in Caterpillar Inc. through the purchase of its common stock.

Under this Plan, eligible employees of the Companies may, on a voluntary basis, contribute up to 6% of their earnings and the Company will contribute 50%, 66.67% or 80% of the employees' contribution depending on employees' years of service. Details pertaining to Company's contribution are covered under Section 4.2.

2. Eligibility

You are eligible to participate in the Plan if you meet the following criteria:

- You are a regular full-time employee of the Company;
- You are covered under the Singapore payroll;
- You have completed at least six (6) months of continuous service with the Company.

Non-regular employees (e.g. contract/agency hires) classified as either "Temporary", "Contract", "Agency" or "Contingent Worker" or "Part Timers" are not eligible to participate in this Plan.

3. Enrollment Process

Subject to your eligibility as determined under Section 2 above, you may participate in the Plan at any time after you first become eligible. You will receive E*TRADE system notification to guide you on how to activate the account and enroll the EIP online. Your enrollment will be effective from the 1st day of the month after you submit your Application Form and your application has been accepted by the Company.

By enrolling and submitting the completed Application Form online, you agree to:

- Be bound by the terms of the Employee Investment Plan, and the Constitutional documents of Caterpillar Inc.;
- Become a shareholder of Caterpillar Inc.;
- Automatically allow the Company to deduct from your payroll your elected contributions from your regular earnings each pay cycle towards the purchase of Caterpillar Shares;
- Open an account with E*TRADE in which your Employee and Company purchased shares will be held;

4. Contribution

4.1. Employee Contribution

Basic Employee Contribution

If you are eligible to participate in the Employee Investment Plan, you will need to choose the rate he/she wish to contribute as Employee Contribution (“**Basic Employee Contribution**”).

The Basic Employee Contribution must be equal to 2%, 3%, 4%, 5% or 6% of the Employee’s eligible earnings for each payroll period. The employee contribution is subject to a maximum of 6% of the employee’s eligible earnings for each payroll period. Your contributions will be deducted through your regular payroll.

Eligible earnings shall include base salary, overtime pay, shift allowance, acting allowance, unused annual leave encashment (upon separation) and 13th month payment and will exclude bonuses, commissions or reimbursement for expenses/allowances and Short-Term Incentive Plan (STIP).

Supplementary Contribution

Employees who have 25 years of service or more may elect to contribute an additional 1%, 2%, 3% or 4% of their eligible earnings each pay period.

The Employee Contribution will be deducted every month by the Company through payroll.

4.2. Company Contribution

Company will match a certain percentage of the employee’s “Basic Employee Contribution” up to a maximum of 6% based on the years of service with the Company based on the prevailing Continuous Service Date field in Workday as indicated below:

Length of Service	Company Contribution	Maximum Cap on Company Contribution
Less than 25 years of service	50% of your Basic Employee Contribution	Up to a maximum of 3% of your eligible earnings
At least 25 but less than 35 years of service	66.67% of your Basic Employee Contribution	Up to a maximum of 4% of your Eligible Earnings
35 or more years of service	80% of your Basic Employee Contribution	Up to a maximum of 4.8% of your Eligible Earnings

There is no matching contribution from the Company for any Supplementary Contribution made.

5. Allocation of Shares

The aggregate of Employee Contribution and Company contributions will be used to determine the number of full and fractional shares that will be allocated to the employee under the Employee Investment Plan.

The number of Shares that will be allocated to the employee each month will be calculated based on the following formula:

$$\frac{\text{Employee Contribution + Company Contribution}}{\text{Open Market Share Price at which Shares are traded on the NYSE on the last working day of each month}}$$

6. Acquisition of Caterpillar Shares

The Employee and Company contributions will be converted into US Dollars and remitted to E*TRADE at the end of each payroll month. Upon receipt of the remittance, E*TRADE will purchase Caterpillar Shares from the open market. The employee can view the purchase price, exchange rate and the number of shares that have been purchased by logging into their E*TRADE account (only upon employee's activation of the E*TRADE account). No fees will be charged to the employee for the purchase of shares under this Plan.

7. Making changes to the Rate of Contribution/Suspension/Resumption

The employee can change, suspend or resume contribution at any time via the employee's online E*TRADE account, and the change will be processed in the next available payroll. There are no restrictions on the number of times the employee can change the Basic Employee Contribution. However, if the employee suspends his/her participation in the Plan, which will be effective no later than 45 days after the request is received, the employee will not be able to resume participation after the date that the suspension has become effective. Upon suspension, the employee will not receive any refund of the Employee Contribution already made and the account of such employee will remain open until such time the employee leaves the Company or is no longer eligible to participate in the Plan.

8. Dividends

Shares allocated under the Plan have full dividend rights and will be paid in cash to be directly credited into the employee's designated bank account with E*TRADE. However, employees may elect to reinvest their dividends by notifying E*TRADE via their helpline. Any such election to reinvest will also apply to shares allocated under the Caterpillar Equity Plan, if applicable.

Note: For existing EIP participants transferred from the EIP Legacy system to E*TRADE, your dividends will continue to be reinvested after the migration. No action is required if you wish to have your dividends reinvested. However, if you wish to receive cash instead, you need to notify E*TRADE via their helpline-

9. Sale of Shares

9.1. Employee Shares & Dividend Reinvestment Shares

Shares purchased under the Plan, including shares invested through dividend reinvestment, can be transacted at any time once the Shares are registered under the Employee's E*TRADE account. For avoidance of doubt, shares bought through the Employee Contribution will be deemed as Employee Shares.

9.2. Company Shares (Shares bought under the Plan with Company Contribution)

Your Company Shares will be subject to a restriction period of 3 years from the date those Company Shares are purchased (referred to as "**Restricted Period**") for you unless you cease employment with the Caterpillar Inc. Group before that time. Company Shares that fall within the Restricted Period is referred to as "**Restricted Company Shares**".

The Restriction Period starts from when your Company Shares are purchased (i.e. following the end of each month). This means that each monthly lot of Company Shares purchased for you will be subject to a Restriction Period with a different start and end date. For example, Company Shares purchased on November 30th, 2018 will be subject to a Restriction Period ending November 30th, 2021 and the Company Shares purchased on December 31st, 2018 be subject to a Restriction Period ending on December 31st, 2021.

You can still receive dividends and exercise voting rights attached to your Restricted Company Shares. However, you cannot sell, transfer, encumber or otherwise deal in your Restricted Company Shares.

At the end of the Restriction Period, Restricted Company Shares will be released from all restrictions and employee will be allowed to transact those non-restricted Company Shares at any time by logging into your E*TRADE account.

10. Sale Process

All shares allocated under the Plan can be transacted through the E*TRADE portal using the employee's E*TRADE account.

11. Brokerage & Fees

Brokerage and fees will be absorbed by the Company for shares acquired through the Plan. However, when the employee sells the shares, brokerage and fees will be charged and will be deducted from the proceeds of the sale of the shares.

12. Resignation or Termination

Upon the employee's resignation or termination, the employee will no longer be eligible to remain under the Plan and the employee will have up to 3 months from their last day of service to instruct E*TRADE to either:

- Sell all the Shares (both Employee Shares and Company Shares, including Dividend Reinvested Shares, if applicable) and remit the proceeds of the sale (less any associated costs and tax deducted) to their designated bank account with E*TRADE; or
- Provide instruction to E*TRADE to transfer the shares to the employee's personal broker.

If the leaver fails to do so within the 3-month period, the company reserves the right to instruct E*TRADE to sell the shares on behalf of the employee. The proceeds (less any associated costs) will be held by E*TRADE pending receipt of your payment instruction.

13. Transfers within Caterpillar Inc. Group

Transfer under this clause would be transfer of an employee from the payroll of one Caterpillar subsidiary to another and excludes ISE assignees on Singapore Payroll. If the employee is transferred from a EIP participating subsidiary to a non-participating subsidiary, Employee Contribution will cease, but the employee's existing account in E*TRADE will remain active. Any Restriction Period on Company Shares will continue to apply. If the employee transfers to a participating subsidiary who is also using E*TRADE, the same employee E*TRADE account be used. If the employee wishes to participate in a new country plan, the employee will have to opt into the relevant country plan, subject to the employee meeting the eligibility criteria relevant to the country plan or local regulations.

14. Tax

The Employee Investment Plan is subject to the prevalent income tax laws of Singapore and will be subject to any deductions or withholding as may apply from time to time. Employees will be responsible for any income tax associated with their participation in the Plan.

Generally:

- Employee contributions to the Plan is not an allowable deduction from the assessable income;

- Company Contributions to the Plan are considered taxable income and will be reported to IRAS according.

All dividends paid to the Plan will be subject to 30% withholding tax in the United States before they are paid to E*TRADE.

Non-US citizens are required to complete a W-8BEN form and obtain a certification via your E*TRADE account. Without the certification, you could be subject to a 30% withholding on all gross sale proceeds. Typically, re-certification is required every 3 years and you will receive notification from E*TRADE to re-submit your W-8BEN certification before its expiry. It is every employee's responsibility to ensure they have a valid W-8BEN certification at all times as failure to do so will result in applicable withholding tax deducted from their sale proceeds.

15. Checking EIP account information

Employees are responsible in getting their E*TRADE account activated. Upon activation of the E*TRADE account, employee will have access to the relevant details pertaining to the shares under the Plan via the E*TRADE website at any time.

16. Death of E*TRADE account holder

In the unfortunate event of the death of an employee, the Company will inform E*TRADE of such matter. As an employee's E*TRADE account is considered a personal account, the Company is not authorized to deal with the shares. E*TRADE Estates team will work directly with the authorized legal heir(s) or court appointed executor(s) / administrator(s). E*TRADE may request documents confirming the authority of such persons, following which E*TRADE will release the shares or proceeds from sale to the authorized legal heir(s) or court appointed executor(s) accordingly.

17. Contacts for Queries

If you encounter any problem with your E*TRADE account, you should contact E*TRADE in the first instance, 001 800 3338 7233 (toll-free, fixed phones only) or 001 1 650 599 0125 (any fixed, mobile, payphone; toll charges may apply).

Asia Pacific (Support in English, Mandarin, or Cantonese) Phone lines are open from Monday 5:00 a.m.– Monday 2:00 p.m., Monday 8:00 p.m. – Tuesday 2:00 p.m., Tuesday 8:00 p.m. – Wednesday 2:00 p.m., Wednesday 8:00 p.m. – Thursday 2:00 p.m., Thursday 8:00 p.m. – Friday 2:00 p.m. and Friday 8:00pm – Saturday 7:00am (Singapore time).