

### **Caterpillar Tax Strategy**

Our tax strategy and policies are aligned to the Caterpillar Enterprise Strategy and conform to our Worldwide Code of Conduct and “Values in Action”. We are committed to being a responsible taxpayer, acting in an ethical and sustainable manner in all tax matters and being open in our dealings with tax authorities.

This strategy seeks to ensure that we fully comply with all applicable tax rules and regulations in the jurisdictions in which we operate, we pay the tax we are legally required to, and we safeguard our reputation as a responsible taxpayer while also recognising that we have an obligation to shareholders to efficiently manage our tax liabilities. To these ends, we have outlined the following principles which drive our decision making with respect to our tax affairs:

- We manage our tax affairs in accordance with our Code of Conduct at all times.
- We will comply with all relevant tax laws, regulations, and reporting requirements in the jurisdictions in which we operate. If we discover instances of non-compliance we seek to resolve them with the appropriate tax authority.
- Transactions between Caterpillar affiliates shall be structured in a way that is consistent with the operations of the business and which produces an allocation of income to the jurisdictions in which we do business that is consistent with the ‘arms-length’ principle outlined in the OECD Transfer Pricing Guidelines.
- Our activities are driven by business needs. When given a choice between different options to implement a business transaction, we will seek to achieve the most favorable option in line with our obligations to shareholders. In determining which option is preferred, we consider commercial, financial, strategic, and reputational impacts.
- We seek to build constructive relationships with taxing authorities. Where appropriate and practicable we may obtain advance agreement from authorities prior to undertaking transactions.
- We regularly align our tax strategy with the Chief Financial Officer and the Audit Committee of the Board of Directors.