

CtW Investment Group

For immediate release

For more info: Tejal K.Patel
202-721-6079

Shareholders Call for More Robust Clawback at Caterpillar

Shareholder Proposal to Strengthen Clawback Policy Receives 28% Support

Athens, Georgia, June 14, 2017- Today, at Caterpillar, Inc.'s annual meeting, a substantial number of shareholders expressed concern regarding the possible reputational costs of the company's Swiss offshore tax strategy by supporting a shareholder proposal to strengthen the company's clawback policy. With 28% support, shareholders seek to enhance the ability of Caterpillar's board of directors to recoup executive compensation for damage to the company that may not warrant a financial restatement. Average support for clawback proposals in 2016 was 14.3%.

"Today's vote is a wakeup call for the board to add some teeth to its existing policy to improve executive accountability in light of the intensified investigation of Caterpillar's offshore tax strategy," said Dieter Waizenegger, Executive Director of the CtW Investment Group.

The CtW proposal, if implemented by the board, would allow the board to recoup executive compensation in the event of reputational or financial damage to the company. The proposal would also allow the board to provide the rationale behind executive pay recoupments. Leading proxy advisory firm, Institutional Shareholder Services, supported the clawback proposal.

The higher than anticipated support levels come after Caterpillar has faced increasing scrutiny related to its long standing offshore tax strategy, including a \$2 billion IRS assessment, a Senate investigation, a multiagency federal raid on company facilities and possible charges of tax fraud.

The CtW Investment Group works with union-sponsored pension funds sponsored by affiliates of Change to Win to enhance long-term shareholder value through active ownership. These funds have over \$250 billion in assets under management and are substantial Caterpillar shareholders.