





Caterpillar Inc.

CAT NYSE

Construction / Agricultural Machinery

Market Capitalization USD: **\$47,604.10 mm**

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Douglas R. Oberhelman

Age: 59

CEO Since: 2010

	2009	2010	2011
Base Salary	\$1,550,004	\$1,291,670	\$1,429,506
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$868,001	\$4,700,493	\$4,934,935
Benefits and Perquisites	\$360,998	\$548,821	\$147,501
TOTAL ANNUAL COMPENSATION	\$2,779,003	\$6,540,984	\$6,511,942
Increase in Post-Retirement Benefits	\$1,985,254	\$0	\$2,080,873
Stock Option Awards	\$3,578,115	\$0	\$8,309,208
Stock Awards	\$407,413	\$16,005,000	\$0
TOTAL COMPENSATION	\$8,749,785	\$22,545,984	\$16,902,023
Median of Other Named Executive Officers Total Compensation	\$3,042,737	\$7,447,094	\$6,590,401
Value Realized on Exercise of Stock Option	\$3,090,074	\$17,096,595	\$3,522,480
Value Realized on Vesting of Stock	\$153,964	\$28,119,501	\$457,798
TOTAL REALIZED EQUITY COMPENSATION	\$3,244,038	\$45,216,096	\$3,980,278

Proxy Date: 23 Apr 2012

Annual Meeting Date: 13 Jun 2012

Equity Reserves: 12.20%

Stock Option Run Rate: 0.89%

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Performance Comparison

■ S&P500 ■ Industry ■ CAT



Peer Comparisons (TRBC) = Industrials

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CAT	Caterpillar Inc.	\$8,749,785	\$22,545,984	\$16,902,023	\$47,604,103,282
NSC	Norfolk Southern Corporation	\$12,756,176	\$10,962,546	\$12,916,766	\$22,864,226,340
PSA	Public Storage	\$2,205,800	\$2,009,800	\$2,759,800	\$19,003,387,962
FDX	FedEx Corporation	\$8,479,584	\$7,419,362		\$21,469,295,695
GD	General Dynamics Corporation	\$22,022,139	\$13,751,115	\$16,058,080	\$21,240,354,255
UNP	Union Pacific Corporation	\$15,284,347	\$15,264,572	\$19,134,212	\$39,862,203,802
UTX	United Technologies Corporation	\$20,501,712	\$22,086,161	\$27,671,331	\$64,397,829,957

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

3M Company, FedEx Corporation, PepsiCo, Inc., Alcoa Inc., Ford Motor Company, Pfizer Inc., Altria Group, Inc., General Dynamics Corporation, The Procter & Gamble Company, American Express Company, General Electric Company, Siemens Aktiengesellschaft, Archer-Daniels-Midland Company, Honeywell International Inc., United Parcel Service, Inc., The Boeing Company, International Business Machines Corporation, United Technologies Corporation, Cummins Inc., Johnson & Johnson, Valero Energy Corporation, Deere & Company, Johnson Controls, Inc., Weyerhaeuser Company, Dell Inc., Lockheed Martin Corporation, The Dow Chemical Company, PACCAR Inc.

Performance Peer Group

S&P Group: 3M Company, General Electric Company, Navistar International Corporation, Cummins Inc., Honeywell International Inc., PACCAR Inc, Danaher Corporation, Illinois Tool Works Inc., Pall Corporation, Deere & Company, Ingersoll-Rand Company Limited, Parker-Hannifin Corporation, Dover Corporation, ITT Corporation, Textron Inc., Eaton Corporation, Johnson Controls, Inc., United Technologies Corporation.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
David R. Goode	Chairman	71	Male	19	Outside
David L. Calhoun	Member	55	Male	1	Outside
Edward B. Rust	Member	61	Male	9	Outside
Joshua I. Smith	Member	71	Male	19	Outside

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