

FINANCE LEASE

For the customer who wants to use the equipment and have the option to purchase it at a predetermined Fair Market Value price.

Your business is always changing and so are your financial needs. That’s why it’s good to know Cat Financial and all the ways we can help make your business stronger for life. Whether you’re buying equipment, protecting your investment, managing your accounts or preparing for the future, our comprehensive financing and insurance solutions help you be more successful.

BENEFITS

- > 100% financing is available to qualified customers
- > Special promotional rates are offered frequently
- > Depending on option or balloon amount, monthly payments can be lower than traditional financing
- > For U.S. GAAP and U.S. tax purposes, you are generally entitled to claim the benefits of ownership—including depreciation and interest expense deductions

END-OF-TERM OPTION

You may choose a bargain purchase option or mandatory balloon as low as \$1 or at a predetermined amount based on the finance term, equipment use and application, and machine specification.

TERMS

Length (new equipment):	12-60 months (Terms greater than 60 months may be considered upon request.)
Finance Rate:	Fixed (Floating rates may be considered upon request.)
100% Financing:	Available to qualified customers
Purchase Option Alternatives:	Provision to purchase at predetermined amount or return machine to Cat Financial
Tax Benefits:	Retained by customer
Payment Flexibility:	Monthly, quarterly, semi-annual and annual payments are available provided payments are in advance. Skip payments are also offered.

COMPARISON OF FINANCIAL PRODUCTS

	Installment Sale Contract	Finance Lease or Flex Lease	Operating Lease— Cat Value Option	Operating Lease— Fair Market Value
Ownership	Immediate	Option to return or purchase at lease-end; Flex Lease provides the option to return early at the predetermined date	Option to purchase, renew or return equipment at lease end	Option to purchase, renew or return equipment at lease end
Equity Buildup	Faster	Slower	None	None
Tax Depreciation	Customer	Customer	Cat Financial	Cat Financial
Payment	Higher	Lower	Lowest	Lowest
Purchase Option	N/A	Bargain	Predetermined purchased price	Fair Market Value
Contract Flexibility	Yes	Yes	Less	Less
Early Payoff Restrictions	No	No	Early Purchase Option established at origination allows early purchase at predetermined date	Early Purchase Option established at origination allows early purchase at predetermined date
Personal Property Tax	Customer pays (varies by state)	Customer pays (varies by state)	Cat Financial pays, then invoices customer (varies by state)	Cat Financial pays, then invoices customer (varies by state)
Additional Information	<ul style="list-style-type: none"> > Customer owns and depreciates > Immediate equity through down payment or trade-in > Quickest equity buildup through repayment 	<ul style="list-style-type: none"> > Lessee has ownership > Bargain purchase option reduces payment > Lessee may take depreciation > Equity buildup is slower > Characteristics of an ISC with the lower payments of a lease 	<ul style="list-style-type: none"> > Optional Ownership at predetermined purchase price > Lessee treats unit as rental > No equity buildup 	<ul style="list-style-type: none"> > Optional Ownership at Fair Market Value > Lessee treats unit as rental > No equity buildup