Overview of Grant Award Terms
Caterpillar Building the Future Workforce Challenge

As a condition for receiving an award under the Caterpillar Building the Future Workforce Challenge (the "Challenge"), each selected awardee (a "Winner") and the organization designated to receive funding (the "Recipient Organization") will be required to enter into one or more legally binding agreements (collectively, the "Agreement") with ATI Carrot LLC (d/b/a Carrot) ("Carrot"), Caterpillar Inc. ("Caterpillar"), and/or designated community testing partners, as applicable.

Carrot administers the Challenge and will disburse grant funding to Winners. Caterpillar serves as the funder of the Challenge and may participate in implementation, testing, and evaluation activities. In certain cases, Winners may be required to enter into a separate agreement with Caterpillar or third-party partners in connection with pilot implementation or testing activities.

The Agreement will establish the terms and conditions governing the use of grant funds and the implementation of the Winner's proposed solution. Awards are discretionary and subject to compliance with all applicable Challenge rules, terms, and conditions.

This Overview summarizes key provisions of the Agreement to assist prospective applicants in understanding the obligations associated with accepting an award. This Overview is for informational purposes only and is not the Agreement itself. Grant funds will not be disbursed unless and until all required agreements are executed.

1. Use of Grant Funding

Funds may be used only in accordance with the approved scope of work and may not be materially redirected without prior written approval. Recipients must comply with all applicable laws and regulations, including anti-corruption, trade, and sanctions laws.

Prohibited uses include, among other things:

- Political campaign activity or lobbying;
- Any unlawful conduct; and
- Any use inconsistent with the workforce development or public-benefit objectives of the Challenge.

Payment of funds may be conditioned on the achievement of defined milestones and continued compliance with the Agreement.

2. Implementation and Onsite Testing

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As part of the Challenge, Winners will be expected to collaborate with Caterpillar and/or designated community testing partners to support the testing, evaluation, and assessment of the Winner's proposed solution and implementation plans described in the Winner's application. Such activities may take place at Caterpillar facilities and/or in designated communities. Winners must cooperate with Caterpillar personnel and any designated third-party community testing partners. Among other things, the Agreement will define the roles and responsibilities among the parties and safety, security, and site access requirements. Participation in onsite activities at Caterpillar facilities will be subject to Caterpillar's applicable policies, procedures, and safety requirements.

3. Reporting and Performance Monitoring

To ensure proper use of funds and progress toward project objectives, reporting will be required. Winners will be required to provide periodic progress reports, which may include:

- Updates on project implementation and milestones;
- Key performance metrics and outcomes; and
- Financial accounting of grant expenditures.

Reporting cadence may vary (e.g., monthly, quarterly, or milestone-based) depending on project phase.

A final report will be required upon project completion. Carrot and/or Caterpillar may also request additional information as reasonably necessary to monitor performance and compliance.

4. Financial Controls, Audit, and Recordkeeping

Recipients must maintain adequate financial and operational records, and all expenditures must be supported by appropriate documentation. Records must be retained for a specified period following completion of the project.

Carrot and/or Caterpillar will have the right, upon reasonable notice, to:

- Review and audit records; and
- Request additional information regarding the use of grant funds.

Improper use of funds may result in repayment obligations and/or termination of the Agreement.

5. Data, Intellectual Property, and Use Rights

The Agreement will address ownership and use of data, intellectual property, and project outputs. Winners will generally retain ownership of their pre-existing intellectual property. However, Winners will be required to grant Carrot and/or Caterpillar certain rights, which may include:

- A license to use, reproduce, share, adapt, and otherwise utilize project outputs, results, and related materials; and

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- Rights to use insights, learnings, and non-confidential materials for internal and external purposes, including replication and scaling of solutions.

The Agreement may also address:

- Data collection and usage rights;
- Privacy and data protection obligations; and
- Allocation of rights in newly developed materials.

6. Non-Exclusivity; Replication and Scaling

Participation in the Challenge is non-exclusive. Nothing in the Challenge or the Agreement will restrict Caterpillar or Carrot from independently developing, acquiring, or supporting solutions similar to or competitive with a Winner's solution. Caterpillar may replicate, adapt, or scale successful approaches across its facilities, communities, or partner networks, subject to the rights granted under the Agreement.

7. Publicity and Communications

Winners will be required to participate in reasonable publicity and communications activities. Carrot and Caterpillar will have the right to:

- Describe the project and its outcomes;
- Use the Winner's name, logo, and approved materials; and
- Publicize the Challenge and participating organizations.

Winners may be granted a limited, non-commercial right to reference the Challenge and their participation, subject to applicable brand and usage requirements.

8. Compliance, Representations, and Warranties

Winners will be required to provide standard representations and warranties, including representations and warranties that they:

- Are duly organized and authorized to perform the project;
- Will comply with all applicable laws;
- Are not subject to sanctions or restrictions; and
- Have the capability and resources to perform the proposed work.

Winners may also be required to disclose relevant affiliations, including government ties or conflicts of interest.

9. Risk Allocation and Liability

The Agreement will include customary risk allocation provisions, such as:

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- Indemnification obligations for losses arising from the Winner's acts or omissions;
- Limitations of liability;
- Insurance requirements (where applicable); and
- Releases or waivers related to participation in the Challenge and onsite activities.

10. Remedies and Termination

Carrot and/or Caterpillar will have the right to take appropriate action in the event of non-compliance. Remedies may include:

- Suspension or termination of funding;
- Requirement to repay improperly used funds; and/or
- Disqualification from continued participation.

The Agreement may also be terminated under specified conditions, including failure to meet milestones or violation of key terms.

11. Miscellaneous Provisions

The Agreement will also include standard contractual provisions, such as:

- Governing law and dispute resolution;
- Assignment and subcontracting restrictions;
- Confidentiality obligations; and
- Other customary legal terms.

Closing Note

This Overview is intended to provide prospective applicants with a general understanding of the key terms that will apply if selected as a Winner. Final terms will be set forth in the definitive Agreement(s), which will control in the event of any inconsistency.

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