Columbus MidRange
Engine Plant Labor Agreement

2015–2021

between

Office Committee Union

and

Cummins Inc.
Table of Contents

Article 1: Statement of Purpose ................................................................. 2
Article 2: Recognition .............................................................................. 2
Article 3: Non-Discrimination ................................................................. 4
Article 4: Union Membership ................................................................. 4
Article 5: Functions of Management ....................................................... 5
Article 6: Union Representation ............................................................. 6
Article 7: Grievance Procedure ............................................................... 7
Article 8: Arbitration .............................................................................. 10
Article 9: No Disruption of Production .................................................. 12
Article 10: Classification and Progression .............................................. 12
Article 11: Seniority .............................................................................. 13
Article 12: Layoff/Recall ...................................................................... 14
Article 13: Maintaining Skills ................................................................. 16
Article 14: Continuous Improvement Teams ......................................... 16
Article 15: Subcontracting ...................................................................... 16
Article 16: Hours and Overtime .............................................................. 17
Article 17: Compensation and Performance Bonus ................................ 18
Article 18: Holidays for Regular Full Time Employees .......................... 21
Article 19: Vacations ............................................................................ 22
Article 20: Health Care Plan and Group Insurance for Regular Full Time Employees ................................................. 23
Article 21: Retirement for Regular Full Time Employees ...................... 26
Article 22: Retirement Savings Plan for Regular Full Time Employees .... 26
Article 23: Jury Duty, Two-Week Military Training and Bereavement .... 26
Article 24: Operating Flexibility ............................................................ 28
Article 25: Performance Management .................................................. 29
Article 26: Safety .................................................................................. 29
Article 27: Temporary Employees ......................................................... 29
Article 28: Duration .............................................................................. 20
Letter of Agreement #1 .......................................................................... 31
Letter of Agreement #2: Governmental Health Care Reform ............... 31
Letter of Agreement #3: Policy Development Process ......................... 32
Letter of Agreement #4: Voluntary Transfer ......................................... 34
Preamble:

This agreement, effective the 19th day of October, 2015, is by and between Cummins, Inc., on behalf of Columbus MidRange Engine Plant, hereinafter referred to as “Company” and the Office Committee Union, hereinafter referred to as “Union.”

The parties hereto mutually agree as follows:

Article 1 — Statement of Purpose

The Agreement is the entire Agreement between the two parties concerning wages, hours, and working conditions. This contract may be changed only by mutual agreement between the two parties. All such contract changes will be reduced to writing and will be signed by authorized representatives of Company and Union.

The purpose of this Agreement is to support Columbus MidRange Engine Plant so that it will be the best diesel engine producer in the world and thereby bring benefit to customers, suppliers, employees, stockholders, and the community. All employees are dedicated to the continuous improvement of the operation to achieve this objective.

The parties agree that during the negotiation of this contract, they each had the unlimited opportunity to make proposals on any subject not excluded from collective bargaining by law. The Union and Company agree that this contract states the understandings and agreements reached during the negotiation. It is expressly understood that this agreement, when executed, shall supersede any past collective bargaining agreement. It is mutually understood and agreed that any federal or state legislation or governmental regulation in effect, or which may be enacted or issued, and which may be contrary to any provision of this Agreement, shall cancel such provisions in conflict therewith but shall not affect the other provisions of this Agreement.
Article 2 — Recognition

2.1 The Company agrees to and does recognize the Union as the exclusive collective bargaining representative for all regular full time plant clerical/administrative employees, nurses, technical, and drafting employees employed by Columbus MidRange Engine Plant, performing work related to the manufacturing support of MidRange engines (those diesel engines defined as having less than 10 liter displacement), at its operation located in Columbus, Indiana, with respect to rates of pay, hours of work, and other conditions of employment.

2.2 In the event that in the future, the Company builds, buys, or leases a new facility within the area from which the present workforce is drawn, in which there is no recognized collective bargaining representative, and which performs work related to the manufacturing support of MidRange engines, as defined above, it is agreed that the Office Committee Union shall represent such facility.

2.3 MidRange research and development work and support work with respect to MidRange engines that is currently being performed at other Cummins facilities represented by the Office Committee Union will not be transferred to the Columbus MidRange Engine Plant without written agreement of the Union. This restriction does not apply to MidRange research and development work that is transferred from a location not represented by the OCU to the Columbus MidRange Engine Plant.

Support work currently being performed by the OCU related to engines or components of engines with 10 liter displacement or greater will not be performed in the Columbus MidRange Engine Plant without written agreement of the Union.

MidRange work that is being performed now and/or in the future at the Columbus MidRange Engine Plant will not be transferred to other plants covered by the contracts between the Office Committee Union and Cummins Inc. without written agreement of the Union.
Article 3 — Non-discrimination

Neither the Company nor the Union shall discriminate against any employee because of that employee’s race, color, religion, union affiliation, creed, gender, gender identity and/or expression, age, national origin, disability, sexual orientation, citizenship, or veteran’s status, or other status protected by law.

Article 4 — Union Membership

4.1 In consideration of the Company’s entering into this Collective Bargaining Agreement, the Union hereby agrees to indemnify the Company and hold it harmless from any and all claims, liabilities, or costs to the Company which arise out of the collection of membership dues.

4.2 The Company agrees to provide time during onboarding for a Union representative(s) to introduce the Union and provide information about Union membership. For employees who are interested in learning more about Union membership, the Company agrees to provide a one (1) hour period for the employee to visit the Union hall to collect additional information.

4.3 The Company agrees to make weekly payroll deductions for Union membership dues upon presentation by the Union to the Company of a written authorization signed by an employee who is a member of the Union. Such authorization form must comply with federal, state, and local laws. The Company may reject illegal forms.

One time each week, the Company shall deposit the deducted Union dues at a financial institution in Columbus, Indiana designated by the Union. The deposit receipt shall be sent to the Treasurer of the Union.

4.4 If Indiana’s Right to Work Law (which currently is found at Indiana Code 22-6-6) is repealed and there is no other legal impediment to doing so, then the Union and Company agree to negotiate pertinent changes relative to the Union Security clause.
4.5 All active Union members will be required to pay, and the Company authorized to deduct, dues from the equivalent of fifty-two (52) pay checks each calendar year. The following categories of Union members will be excluded: those on layoff due to reduction of work force or on leaves of absence.

4.6 During the course of this agreement, the Company may elect to implement a bi-weekly direct deposit payroll system. If implemented, this system will be mandatory for all employees. Union dues and deductions per the provisions of this article shall apply to the direct deposit payroll system.

4.7 The Company shall furnish to the Union a weekly record of every employee’s dues deduction. The system of providing the Union a weekly record of dues deduction shall be mutually agreed to by the Union and the Company.

Article 5 — Functions of Management

5.1 The Union recognizes that Management has the exclusive right to manage its plant and direct its affairs and its work force. Management rights include, but are not limited to:

- Direct, plan, and control operations
- Establish and change work schedules
- Hire, promote, demote, transfer
- Suspend, discipline, or discharge for cause
- Relieve from duty for lack of work or other legitimate reasons
- Introduce new and improved methods or facilities or to change production methods or facilities
- Determine products or services
- Determine production schedules and methods, processes, and means of productions
- Establish jobs, determine job content, design, and assign work
Make reasonable work rules

Manage the operation

Subcontract work

To discontinue operations; (including business-related shutdowns) eliminate or relocate any or all work

5.2 The Company construes and the Union recognizes that the only limitations upon the Company’s right to manage the business, are those rights as specifically abridged or modified by this Agreement arrived at through the process of collective bargaining.

5.3 In case of any change in the Company’s Work Rules Policy, the Union will be notified in advance.

If the Union elects to challenge the reasonableness of the work rule, a grievance must be filed within seven (7) working days of the Company’s notification. Implementation of the work rule change will not occur until the respective arbitration decision has been received.

Article 6 — Union Representatives

6.1 Regular full time employees will be represented by the local Union Representatives (hereafter referred to as Area Representatives). The Union will have the right to appoint or elect Representatives for Columbus MidRange Engine Plant. There will be no more than one (1) representative for every seventy-five (75) or fraction thereof bargaining unit members. Shift assignment of these representatives, within the ratio stated above, will be at the discretion of the Union. The properly appointed or elected Area Representatives will have the right to investigate complaints and resolve contract disputes. This Area Representative will have the authority to resolve issues on behalf of any and all regular full time employees. Area Representatives will be responsible to see that his/her union business is performed in such a way as to
minimize interruption of the work of the business. The Area Representative shall notify his/her supervisor before leaving his/her team. The Area Representative shall notify the supervisor of the team he/she is visiting before contacting any employee in the team. The Union will provide the name(s) of the Area Representative(s) to the Company.

6.2 No Area Representative will be transferred from his/her area of representation without his/her consent.

6.3 The Company recognizes and shall honor the right of bargaining unit employees to request Union representation at any investigatory interview and discipline meetings conducted by the Company.

6.4 The Company will provide to the Union a list of all hires and separations from the bargaining unit. The Company will also provide to the Union’s Secretary/Treasurer a copy of the names and mailing addresses of all employees who are members of the Union.

6.5 Each Area Representative will hold seniority rights over all employees in the area represented.

Article 7 — Grievance Procedure

7.1 The Union and the Company agree to support the business with a commitment to joint problem solving. Every attempt will be made to resolve employee disagreements and Union/Management disagreements by using a consensus problem solving process prior to entering the grievance procedure. Any employee may involve his/her area representative in the problem solving process. The parties agree to schedule a problem solving session within three (3) working days of the time an employee requests a problem solving session. A response to the question raised in the problem solving session will be given to the employee within three (3) working days after the session. Resolutions reached through the problem solving process shall be non-precedent setting.
7.2 DEFINITION

A. The term “grievance” as used in this Agreement is defined as a written complaint of an employee(s) or the Union alleging failure of the Company to comply with a specific provision of this Agreement not excluded from this grievance procedure.

B. A grievance, to be recognized, must be brought to the attention of the Company (at Step 2) within three (3) working days of receiving the problem solving step answer.

A grievance not starting at the problem solving step, to be recognized, must be brought to the attention of the Company (at Step 2 or 3) within five (5) working days of the occurrence of the alleged violation, or within five (5) working days of knowledge of the occurrence of the alleged violation in cases where the employee or Union had no way of knowing of the occurrence within five (5) working days.

7.3 PROCEDURE

A. Step 2: If the issue is not satisfactorily resolved at the problem solving step, the employee and the area representative may advance the problem to step 2 by submitting a grievance in writing within three (3) working days following the problem solving answer.

A written grievance:
(1) must be dated and signed,

(2) must state the specific contract provision with which the company allegedly has not complied,

(3) must have a general statement of the nature of the grievance,

(4) must state the adjustment requested.

Step 2 will consist of a meeting including the area representative, the chief area representative, the second level supervisor, the Human Resources Representative and the OCU Labor Relations Specialist.

The OCU Labor Relations Specialist will give the Company answer on the grievance in writing within two (2) working days of the grievance meeting.

Union grievances will start at step 2.
B. Step 3: If the grievance is not satisfactorily resolved at step 2, the grievance may be appealed to step 3. The union must notify the Company in writing of its appeal within five (5) working days following the step 2 answer. The step 3 meeting will be established at a mutually agreeable time. The grievance will be presented by the Vice President of the Union and any members of the Bargaining Committee or their designated representatives. The grievance will be presented to the OCU Labor Relations Manager and the management representative(s) with overall responsibility for the bargaining unit area and the appropriate Human Resources Manager/Leader.

If no solution acceptable to the parties is worked out, the OCU Labor Relations Manager will then give the Company’s final position to the Union in writing. This written answer will be made within five (5) working days of the meeting.

(1) Medical claim grievances and grievances related to the attendance system and discipline/discharge shall start at Step 3.

(2) Grievances related to pay levels shall start at Step 3.

7.4 APPEAL PROCESS

A. If the Company’s answer at the conclusion of Step 3 is still unsatisfactory to the Union, the grievance may be appealed to arbitration as provided in Article 8 of this Agreement.

B. If the Company’s answer at any step is not appealed within the established time limits for that step, that answer shall be deemed accepted and shall be final and binding.

C. In the event the Company representative, at any step of the grievance procedure, fails to meet the established time limit for submitting an answer, the grievance will automatically advance to the next step.

D. Time limits may be extended only by mutual agreement between the parties involved in the step in question.
7.5 LIMITATIONS

Any grievance filed prior to October 18, 2015 will be processed and resolved under the terms of the Agreement in effect at the time of the alleged violation. The implementation of the settlement shall not set a precedent if in conflict with the terms of the current labor agreement.

Article 8 — Arbitration

8.1 In the event the grievance is not satisfactorily resolved at Step 3 of the grievance procedure, the Union may advance the grievance to arbitration. The Union must notify the Company in writing of its intent to arbitrate a grievance within fifteen (15) working days of receiving a written Step 3 answer.

8.2 After receipt of written notice, the Company and the Union will jointly request the Federal Mediation and Conciliation Service to supply a panel of arbitrators from which the parties may select a mutually agreeable arbitrator. If either party determines that an entire list is unacceptable, additional lists may be requested. The arbitration proceedings will be in accordance with the rules of the Federal Mediation and Conciliation Service.

The parties shall cooperate with each other in expediting the arbitrator selection and grievance scheduling process with their mutual goal being to try a grievance within six (6) months after it is appealed to arbitration.

8.3 The failure of the Union to appeal a grievance to arbitration within fifteen (15) working days after receiving the Company’s written final answer will be considered as an acceptance of the Company’s answer.

Time limits may be extended by an additional five (5) working days only by mutual agreement between the parties.
8.4 The fees and expenses billed by the arbitrator, the rent of the hearing room, the cost of the Federal Mediation and Conciliation Service will be borne equally between the Company and the Union.

8.5 The expenses of each witness and the compensation of any assisting witness for either side will be paid by the party producing the witness.

8.6 The arbitrator may interpret this Agreement and apply it to the particular case presented to him or her, but he or she will have no authority to add to, subtract from, or in any way modify the terms of this Agreement.

8.7 The Company and Union agree the decision of the arbitrator shall be final and binding on both parties.

8.8 When a case is referred to the arbitrator, both the Company and the Union may submit to him or her in writing such information as they may desire bearing on the facts in the case. Both parties will seek the timely resolution for all grievances referred to arbitration and will cooperate in the diligent prosecution of such cases. The hearing will be conducted at the arbitrator’s earliest convenience. Where the parties do not agree to a request for an “instant ruling” the arbitrator will be required to render his/her decision in writing as soon as possible and within the time limits agreed to by the parties.

8.9 Any award of the arbitrator shall not be retroactive in any case more than five working days prior to the time such grievance was presented at the appropriate initial step of the grievance procedure.

8.10 If the Company or Union cancels a hearing, the canceling party pays for canceling the hearing unless there is a situation beyond the control of either party.
Article 9 — No Disruption of Production

SECTION 1: NO STRIKE

A. The Union agrees that it will not cause or permit its members to cause or participate in any interference with the operations of the Company’s business during the term of this Agreement, including strike, sympathy strikes, picketing, slow down, or stoppage of work of any kind.

B. The Company shall have the right to discipline up to and including discharge any employee who is proven to have instigated, participated, or given leadership to any of these prohibited activities, and the employee shall not have recourse to the grievance and arbitration procedure when discipline is for such cause. However, the Union may question the fact of instigation, participation, or leadership through the grievance and arbitration procedure.

SECTION 2: NO LOCKOUT

The Company agrees that there shall be no lockout during the term of this Agreement. The prohibition of a lockout does not prevent Management from closing all or part of the plant for business reasons.

Article 10 — Classification and Progression

10.1 All regular full time employees within the operation will be classified within one of the four (4) classifications.

- Level 3 Analyst
- Level 4 Technical Support Specialist
- Level 5 Associate
- Level 5 Associate - Specialist

There will be a support position of Team Coordinator.

There is no ownership of work functions. Work within the unit may be assigned at any time to any bargaining unit member without regard to that employee’s current assignment or classification.
10.2 Employees will be required to keep current with the changing requirements of the business and their jobs. Entry into a classification/position and continued assignment within a classification/position will be determined by management. The Company will identify and support learning activities for competency acquisition and retention by employees.

10.3 All open Level 5 positions will be filled using selection by qualifications through an interview process. For Level 3 and Level 4 positions, the applicant with the most bargaining unit seniority of those determined as qualified for the vacancy shall be selected.

10.4 The Level 5 Associate-Specialist classification is limited to higher level direct materials and technical documentation positions.

When a new position is created, it shall be categorized into one of the pay levels by use of a position evaluation tool administered by the Compensation and Benefits group or plant Human Resources.

Article 11 — Seniority

11.1 Regular full time employees within the unit will have seniority established as of the most recent date of hire with Columbus MidRange Engine Plant after successfully completing their probationary period. For employees with the same date of hire, seniority will be determined by alphabetical listing of last name on the date of hire.

11.2 The probationary period for new employees is six (6) months. Retention of a probationary employee shall be at the discretion of the company and is not subject to the grievance or arbitration procedures.
11.3 Employees shall lose their bargaining unit seniority while an employee of the Columbus MidRange Engine Plant for the following reasons:

A. Voluntarily quits, retires, or is terminated for just cause.

B. Layoff for a period of thirty (30) months in accordance with Article 12.3 of this Agreement.

C. Failure to return to work within ten (10) working days after being recalled from lay off. It is the employee’s responsibility to notify the Company of any change in address. The ten working day count starts when the Company makes an attempt to communicate to the employee. At this time the Company will notify the Union Board when this attempt at communication is made.

D. Failure to return from a voluntary leave or a personal leave of absence at the expiration thereof.

Article 12 — Layoff/ Recall

12.1 There will be four (4) classifications for layoff and recall purposes:

Level 3 Analyst
Level 4 Technical Support Specialist
Level 5 Associate
Level 5 Associate Specialist

When it is necessary to reduce the work force, the employees to be laid off from each classification will be identified by the Company based on seniority and ability to perform the work.

Those employees to be laid off will be identified by the Company. The Union will be notified in advance. All temporary/contract workers doing OCU work, probationary employees, and School to Work employees will be removed prior to any regular full time employees being laid off.

12.2 Filling open positions in each classification through recall of laid-off employees will be based on an employee’s ability to perform available work and the seniority of the individual within the classification.
12.3 Recall rights for regular full time employees on layoff will be maintained for 30 months from date of layoff and seniority will continue to accumulate during this period. Laid off employees will lose seniority at the end of the 30 months. An employee on layoff will lose seniority if he/she does not return to work within ten (10) working days of being recalled from layoff. The ten working day count starts when the Company makes an attempt to communicate to the employee. At this time the Company will notify the Union Board when this attempt at communication is made.

Probationary employees who are removed will have no recall rights, and will lose seniority on the date of layoff.

12.4 BUSINESS-RELATED SHUTDOWN

Shutdown days may be arranged by the Company at any time during the year to selectively suspend production at departmental, business, or the plant level. During this time the Company may decide to utilize a skeleton force to remain on duty. The Company will begin each calendar year with fifteen (15) business-related shutdown days plus carryover of any unused days from previous years. The number of carryover days may accumulate at a rate of up to five (5) per year up to a maximum total of fifteen (15). The total number of shutdown days available in any calendar year will never exceed thirty (30). Selected areas may be shutdown from one (1) to thirty (30) days throughout a calendar year. No employee will be required to take more than thirty (30) shutdown days off during a calendar year. Affected employees may elect to schedule available vacation/floating holiday on shutdown days or to take the shutdown day off without pay. If an employee elects to take a shutdown day without pay or has no vacation/floating holidays available and must take a shutdown day without pay, the absence will not be charged to the employee. The Company will attempt to schedule shutdown days adjacent to the weekend and will be counted as compensated hours for the purpose of calculating pay for overtime. No permanent employee will be required to take shutdown days if temporary workers are working in the plant on that day. A business-related shutdown day in any area of the plant will count for the entire plant as having a business-related shutdown day. The Company will send official notification in writing to the Union Executive Board when any business-related shutdown days are being implemented.
Article 13 — Maintaining Skills

The Company and the Union recognize the critical role skill and performance play in the long term success of the business. In order to ensure the development of necessary skill and knowledge, Columbus MidRange Engine Plant will provide training opportunities and will create a climate which is conducive to continuous learning for all employees. Developing and maintaining skills is a necessary part of every employee’s job.

Article 14 — Continuous Improvement Teams

All regular full time employees will actively support continuous improvement work within their team.

In addition, should management establish plant-wide continuous improvement teams for the purpose of implementing and monitoring improvements within the framework of Cummins Operating System principles, members will be selected by management based upon their skill and experience on the projects to be performed. Employees selected for continuous improvement teams will maintain their classification and pay rate. The scope of these projects will not typically exceed 90 days.

Article 15 — Subcontracting

The Company will be responsible for decisions to subcontract work. The Company will share information with the Union on subcontracting decisions and provide notice in advance of a decision to subcontract. If circumstances prevent advance notice, then notice will be given as soon as practical.
Article 16 — Hours And Overtime

16.1 Forty hours will constitute the normal work week. This will normally be scheduled eight (8) hours per day, Monday through Friday. In the event of variation from the normal schedule, either in hours per day and/or days per week or days of the week, affected employees will be notified in advance. Temporary employees will be released prior to regular work week falling below 40 hours for regular full time employees. If the normal work week for the entire plant is reduced to a level below 30 hours per week, the provisions of Article 12.1 will be used to return the remaining work force to at least 30 hours per week. Nothing herein is a guarantee of hours of work per day or week.

16.2 Time and one-half will be paid for all hours in excess of forty (40) during the normal work week (time paid for holidays will be considered as hours worked for overtime purposes).

16.3 When an employee has otherwise been compensated for forty (40) hours in a week, hours worked over 40 will be paid at time and one-half.

16.4 When an employee has otherwise been compensated for forty-eight (48) hours in a week, hours worked over 48 will be paid at double time.

16.5 When an employee has otherwise been compensated for forty (40) hours in a week, hours worked on holidays will be paid at double time.

16.6 In order to achieve the highest standards of quality and flexibility to meet market demand, people that perform the same type of work every day will be required to work scheduled overtime because they have the skills and training necessary to meet these high quality standards. If an employee within a team indicates that he/she is unable to work overtime, the team will attempt to schedule a qualified substitute. However, if the team is unable to do this, the requested employee will be required to work the scheduled overtime.
16.7 There shall be no pyramiding of overtime for the same hours worked, and where more than one (1) overtime rate is possible, only the maximum single applicable rate shall apply.

16.8 Any hours in a work day above twelve (12) will not be mandatory.

16.9 Overtime opportunities will be offered to all regular CMEP OCU Level 3 Analysts, Level 5 Associates, Level 5 Associate – Specialists, and Level 4 Technical Support Specialists prior to offering overtime opportunities to any temporary employees. CMEP Management is committed to supporting this process by communicating overtime requirements as soon as known to avoid delays in scheduling overtime assignments.

Article 17 — Compensation and Performance Bonus

17.1 RATIFICATION INCREASE

OCU-represented employees will receive $1.25 per hour increase to their current base wage rate effective the first Monday following ratification of this labor agreement.

The Company will pay no less than the following rates per hour for each pay level. Each employee will receive his/her pay adjustment on the Monday following any such pay adjustment.

17.2 ENTRY WAGES AND MAXIMUM WAGES

<table>
<thead>
<tr>
<th>Position Classification</th>
<th>Entry Wage</th>
<th>Maximum Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 3 Analyst</td>
<td>$14.25</td>
<td>$21.75</td>
</tr>
<tr>
<td>Level 5 Associate</td>
<td>$18.50</td>
<td>$27.50</td>
</tr>
<tr>
<td>Level 5 Associate – Specialist</td>
<td>$23.25</td>
<td>$31.25</td>
</tr>
<tr>
<td>Level 4 Technical Support Specialist</td>
<td>$18.50</td>
<td>$27.00</td>
</tr>
</tbody>
</table>
17.3 PROBATIONARY INCREASE

Employees shall receive a $0.50 per hour base wage adjustment on the Monday following their six (6) month probationary period.

17.4 ANNUAL INCREASES

For 2016, 2017, 2018, 2019, 2020, and 2021 non-probationary employees as of January 1 will earn a $0.50 per hour base wage increase up to but not to exceed the employee’s applicable maximum wage level. This adjustment will be effective on the first Monday of January of each year listed above.

17.5 HIGH PERFORMER PAY

All employees who are designated by the Company as High Performers in a given annual performance review cycle per Article 25 will receive a $500.00 bonus payment. Bonus payments will be made the first pay period of July 2017, 2018, 2019, 2020, and 2021.

In addition, employees who are designated by the Company as High Performers in a given annual performance review cycle per Article 25 will receive a $0.25 per hour base wage rate increase. Increases will be effective the first pay period of July 2017, 2018, 2019, 2020, and 2021. Designated High Performer employees who are at or above their applicable wage cap will receive a $500.00 bonus payment in place of the $0.25 per hour base wage rate increase. Bonus payments will be made the first pay period of July 2017, 2018, 2019, 2020, and 2021.

To be eligible for High Performer pay in a given year, an employee must have a hire date prior to July 1st of the preceding year.
17.6 WAGE SLOTTING

All experienced candidates may be “slotted” at a wage rate not to exceed the applicable 60 month rate ($2.50) per hour over the applicable entry-level wage rate. Each candidate will then progress according to the applicable wage progression.

17.7 EMPLOYEE MOVEMENT BETWEEN CLASSIFICATIONS

An employee moving between classifications will have a wage adjustment based upon the difference between the entry rates for each classification.

17.8 SHIFT PREMIUM

A premium of no less than $1.00 per hour shall be paid for all hours worked by employees assigned to second and third shift.

17.9 TEAM COORDINATOR

A premium of $1.00 per hour will be paid to persons who are designated by the Company as Team Coordinators.

17.10 SIGNING BONUS

OCU-represented employees will receive a $1,000 signing bonus upon ratification of this labor agreement. Payment will be made in the October 30, 2015 payroll.

17.11 VARIABLE COMPENSATION

Regular employees are eligible for the Cummins Inc. Variable Compensation Plan at a 7% participation rate.
Article 18 — Holidays for Regular Full-Time Employees

Employees will be paid and may be required to work on the following holidays:

- Good Friday
- Memorial Day
- July 4
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving
- Pay for all work days from Christmas Eve through New Year’s Day

Pay for such days shall be at the employee’s regular straight time base rate x 8. When the above holidays fall on a Saturday, Friday will be observed as the holiday and when the above holidays fall on a Sunday, Monday will be observed as the holiday.

Any work performed during the period between and including Christmas Eve and New Year’s Day will be paid at 2 times the employee’s normal rate of pay.

In addition to the above days, Monday, July 3, 2017, Friday, July 5, 2019, and Monday, December 23, 2019 will also be included as paid holidays.

In the event the vacation shutdown period is scheduled during a period of time in which a holiday falls, the holiday will be designated as a floating holiday which may be scheduled any time after shutdown or waived in order to receive payment.

Each employee will be eligible for one Floating Holiday each year. The pay for this day will be at the employee’s regular straight time rate, plus applicable shift premium. All regular full-time employees may elect to take a floating holiday at any time with manager approval.
**Article 19 — Vacations**

Regular full time employees will be entitled to vacation based on the following schedule:

<table>
<thead>
<tr>
<th>Length of Service*</th>
<th>Number of Hours off for Vacation with Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months Up to 5 yrs.</td>
<td>80</td>
</tr>
<tr>
<td>5 yrs. Up to 15 yrs.</td>
<td>120</td>
</tr>
<tr>
<td>15 yrs. Up to 20 yrs.</td>
<td>160</td>
</tr>
<tr>
<td>20 yrs. And above</td>
<td>200</td>
</tr>
</tbody>
</table>

*Length of total company service as of December 31 of the vacation year.

Pay for vacation hours shall be at the employee’s regular straight time base rate plus applicable shift premium.

Eligibility for vacation time off begins upon completion of probationary period.

Employees may elect to bank up to 200 hours of vacation from one year to the next year. Banked vacation will be paid at the wage rate in effect at the time the vacation is taken. The banked vacation time will be subject to the same scheduling rules as all other vacation time.

Employees who have not taken their vacation will automatically have their hours banked up to the maximum allowed. Vacation not taken or banked above the maximum allowed will be forfeited, including vacation pay. Vacation may be taken or banked in four (4) hour increments. One week of vacation may be waived for the purpose of earning additional income.
Article 20 — Health Care Plan and Group Insurance for Regular Full-Time Employees

The current OCU HSA 3000 and HSA 1500 health care plans will remain in effect through December 31, 2015. Effective January 1, 2016, OCU represented employees will be covered by the same Cummins active healthcare plan in effect for Southern Indiana - based exempt employees at any given time.

1. For 2016, employee contribution rates will equal the 2016 Southern Indiana exempt contribution rates.

2. For 2017, employee contribution rates will increase by no more than 5% over 2016 OCU contribution rates or will be the 2017 Southern Indiana exempt contribution rates, whichever is less.

3. For 2018, employee contribution rates will increase by no more than 5% over 2017 OCU contribution rates or will be the 2018 Southern Indiana exempt contribution rates, whichever is less.

4. For 2019, employee contribution rates will increase by no more than 5% over 2018 OCU contribution rates or will be the 2019 Southern Indiana exempt contribution rates, whichever is less.

5. For 2020, employee contribution rates will increase by no more than 5% over 2019 OCU contribution rates or will be the 2020 Southern Indiana exempt contribution rates, whichever is less.

6. For 2021, employee contribution rates will increase by no more than 5% over 2020 OCU contribution rates or will be the 2021 Southern Indiana exempt contribution rates, whichever is less.
ACTIVE DENTAL

The current OCU dental plan will remain in effect through December 31, 2015. Effective January 1, 2016, OCU represented employees will be covered by the same Cummins active dental plan in effect for Southern Indiana–based exempt employees at any given time.

- For 2016, employee contribution rates will equal the 2016 Southern Indiana exempt contribution rates.
- For 2017, employee contribution rates will increase by no more than 5% over 2016 OCU contribution rates or will be the 2017 Southern Indiana exempt contribution rates, whichever is less.
- For 2018, employee contribution rates will increase by no more than 5% over 2017 OCU contribution rates or will be the 2018 Southern Indiana exempt contribution rates, whichever is less.
- For 2019, employee contribution rates will increase by no more than 5% over 2018 OCU contribution rates or will be the 2019 Southern Indiana exempt contribution rates, whichever is less.
- For 2020, employee contribution rates will increase by no more than 5% over 2019 OCU contribution rates or will be the 2020 Southern Indiana exempt contribution rates, whichever is less.
- For 2021, employee contribution rates will increase by no more than 5% over 2020 OCU contribution rates or will be the 2021 Southern Indiana exempt contribution rates, whichever is less.

LIFE INSURANCE/ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

OCU members will be covered by the Cummins LifeChoices Plan.

The employee life insurance benefit is one (1) times an employee’s annual base salary rounded up, if necessary,
to the next whole one thousand dollars and will be paid out to the employee’s beneficiary on record at Cummins.

Employees will continue to receive an $8,500 non-contributory Life Insurance/AD&D benefit for the employee’s spouse/domestic partner and child(ren).

**SHORT-TERM DISABILITY (STD)**

Employees will receive weekly payments equal to 75% of their base wage rate (plus applicable shift premium).

A two (2) calendar day waiting period will apply. The waiting period is waived for hospitalization or outpatient surgery performed in a free-standing surgical facility or hospital.

If a holiday falls during an approved short-term disability leave of absence, the holiday will be paid out as a contractual holiday.

Approved short-term disability leave of absence will run concurrent with Worker’s Compensation Leave.

The waiting period under Worker’s Compensation will be covered under the Short-Term Disability program at 75%.

The total Short-Term Disability period is 26 calendar weeks or 180 calendar days.

When an employee is out on Short-Term Disability, all medical, dental, and life insurance premium deductions will be deducted from an employee’s check as if they were working.

**LONG-TERM DISABILITY (LTD)**

For disability claims effective after October 18, 2015, Long Term Disability (LTD) benefits will begin after the 26 week Short-Term Disability benefit has been exhausted. Employees who continue to maintain their disability status beyond 26 weeks will receive 60% of base wages until age 65. Medical, dental, and life insurance will continue to be available for up to two (2) years from the beginning of the Long-Term Disability benefit, as long as disability eligibility is maintained.
Article 21 — Retirement for Regular Full-Time Employees

Through December 31, 2015, eligible OCU-represented employees will receive the benefits described in Cash Balance for Bargaining Union Employees (Cummins Pension Plan, Appendix 5).

Effective January 1, 2016, eligible OCU-represented employees will receive the benefits described in Cash Balance Plan A (Cummins Pension Plan, Appendix 1).

Article 22 — Retirement Savings Plan for Regular Full-Time Employees

Through December 31, 2015, eligible OCU-represented employees will receive the benefits described in Retirement and Savings Plan for Collectively Bargained Employees.

Effective January 1, 2016, eligible OCU-represented employees will receive the benefits described in the Retirement and Savings Plan for Non-Bargaining Employees.

Article 23 — Jury Duty/Panel Duty, Two Week Military Training and Bereavement

23.1 JURY DUTY/PANEL DUTY AND TWO WEEK MILITARY TRAINING

Jury Duty/Panel Duty and two-week military training will be paid at the employee’s regular rate of pay not exceeding eight (8) hours in any day or forty (40) hours in any week, minus, payment received from governmental agencies.
23.2 BEREAVEMENT

A. Emergency absences shall be considered as absences from work because of the death of members of the employee’s immediate family (spouse/domestic partner, children, mother, and father). Such absence must be during an employee’s regularly scheduled work week and the employee is not absent for any other reason. During such absences, the employee shall be compensated for such time as the employee is required to be absent from the day of the death up to five (5) continuous days at the employee’s basic straight time hourly rate.

B. Emergency absences shall be considered as absences from work because of the death of members of the employee’s immediate family (step-mother, step-father, step-children, brother, sister, father-in-law, mother-in-law, grandchildren, son-in-law and daughter-in-law). Such absence must be during an employee’s regularly scheduled work week and the employee is not absent for any other reason. During such absences, the employee shall be compensated for such time as the employee is required to be absent from the day of the death through the day following the day of the funeral, but not to exceed a maximum of three (3) days of the first five (5) working days of the work week, at the employee’s basic straight time hourly rate.

C. One day emergency absence pay will be granted to an employee to attend the funeral of his/her current step-mother-in-law or step-father-in-law, grandfather, grandmother, spouse’s grandparents, brother-in-law, and sister-in-law during the first five (5) working days of the work week, when the employee is not absent for any other reason.

Emergency absence pay shall be counted as hours worked for the purpose of computing overtime. The Company shall not pay for any time lost on a Saturday or Sunday or overtime day. The Company shall not pay for any time lost on a Saturday, Sunday, overtime day, or during a leave of absence, or holiday period. Time lost during a vacation will be paid in accordance with 23.2.A, 23.2.B, and 23.2.C above.
Article 24 — Operating Flexibility

There is no ownership of work functions. Work within the unit may be assigned at any time to any bargaining unit member without regard to that employee’s classification. Moreover, there are no jurisdictional boundaries between exempt employees and bargaining unit members. It is understood that exempt employees may perform tasks that are also performed by bargaining unit members. At any point in time, exempt and non-exempt employees could be performing the same tasks. The Company agrees not to employ exempt personnel as the replacements for bargaining unit members on overtime or as replacements for laid off bargaining unit members.

Article 25 — Performance Management

In order to promote employee growth and development, a performance management process will be implemented. The Company will develop and implement the employee performance management process. The Company reserves the right to modify or change the employee performance management process and will give the union advance notice if it does so. The Company will use the output from the employee performance management process to identify High Performers, Solid Performers, and Low Performers. High Performers will be recognized in Article 17. Low Performers will be placed on an Employee Development Plan (EDP). Employees who remain Low Performers may be disciplined up to and including discharge.
Article 26 — Safety

26.1 MEDICAL ATTENTION

The Company agrees that medical attention at a qualified medical facility will be provided to employees injured while on the premises. If the Company’s doctor determines that an injured employee cannot return to work, the employee will be paid for the remainder of the work day and will not be required to make up that time.

26.2 SAFETY ALLOWANCE

All regular full time employees will be given a safety allowance towards the purchase price of safety glasses and/or safety shoes and/or garments related to relevant needs for plant safety PPE requirements in the amount of up to $225.00 per year. During an employee’s first year of employment, an employee will receive a safety allowance in the amount of up to $275.00.

Article 27 — Temporary Employees

Temporary employees will not be retained for more than twelve (12) consecutive months. The number of temporary employees, excluding employees of contracted services, will not exceed 20 percent of the total CMEP OCU work force. Temporary employees are not covered by this Collective Bargaining Agreement. The Company agrees to institute a tracking system for temporary employees.
Article 28 — Duration

This Agreement will become effective October 19, 2015 and continue in force through September 19, 2021 12:00 midnight, and from year to year thereafter unless written notice is given by one (1) party to the other of an intention to terminate, modify, or amend this Agreement sixty (60) calendar days prior to September 19, 2021 or subsequent anniversary dates thereof.

In witness whereof, both parties have caused this Agreement to be executed the day and the year first above written.

COLUMBUS MIDRANGE ENGINE PLANT

OFFICE COMMITTEE UNION ENGINE PLANT

Margo Rout
John Bean
Pam Stovall
Sebastian Heppner
Jed Cowell
Greg Buikema

Mark Fear
Karrick Hutchinson
Larry Duncan
Rosanne Klakamp
Glynn Graham
Cynthia Morrison
Casami Johnson
Letter of Agreement #1

The purpose of this letter is to confirm our agreement to give the Union the option of including the area rep(s) representing employees at the Columbus MidRange Engine Plant in future Labor Agreement negotiations if there is no CMEP representation on the OCU Board. The Union will select the area rep(s) who will participate.

In addition, the purpose of this letter is to clarify that in the event a CMEP employee is elected to the OCU Board the procedures and practices that apply to that employee’s function as an OCU Board member will be considered to be the same as those that apply to an employee elected from Southern Indiana Cummins facilities. The wage rates, overtime opportunities and benefits applicable at CMEP will continue to remain in effect.

Company paid union time shall be counted as hours worked for the purposes of computing benefits and overtime.

Letter of Agreement #2

GOVERNMENTAL HEALTH CARE REFORM

The Company and the Union understand that governmental health care reforms may be adopted during the term of this Agreement that could increase or decrease the cost to the Company or the employee or the retiree of the Health Care Programs set forth in this Agreement. Such reforms could also provide for health care services to be provided through alternative delivery or insurance systems which do not reduce the level of benefits agreed to in this Agreement. In such event, the Company and the Union agree to negotiate appropriate modifications to this Agreement to equitably deal with such reforms. If the parties are unable to agree upon such modifications, the issue will be submitted to arbitration, with the arbitrator being required to choose between the Company and the Union’s best final offer.
Letter of Agreement #3

POLICY DEVELOPMENT PROCESS

The Company agrees to put in place, a policy review process, outlined below, that ensures that the Union leadership is given an opportunity to provide feedback and input to proposed policy changes, and is notified of any policy changes prior to implementation. In the unlikely event that the basic charter group cannot reach agreement on a particular policy, the Plant Operating Team and Executive Union Board will attempt to resolve the issue. In the unlikely event that the Operating Team and Executive Union Board cannot reach agreement, management will implement the policy.

Policy Review & Design Process

Chartered Group to Design & Review Policies and Guidelines

Basic Charter Group

- Any two DWU Shop Stewards
- Two DWU Bargaining Committee Representatives
- OCU Executive Board Member
- OCU Area Representative
- One representative from Labor Relations
- H.R. Representatives
- At least 1 member of the Plant Operating Team
- Ad Hoc members as needed for subject expertise

Design & Review Process

- Prioritize policies & guidelines
- Discuss and reach agreement on policies & guidelines
- Meet as necessary
Policy and Guidelines Review and Approval Process

- Charter group reviews with DWU Plant Committee, OCU Board, Labor Relations, and Plant Operating Team for comments and feedback
- Consider feedback
- Alter if charter group agrees with feedback
- Share with leadership group again (if changes were made or considered)
- Members of charter group will sign and date the policy/guidelines for future reference

Established review dates for Policies/Guidelines

- Review annually or on established date
- Responsible area is assigned as owner

All policies communicated to the work force

- The Company will print a policy book once a year to distribute to each employee if there are new policies or revisions to the current policies. New policies or revisions to current policies can be made effective without printing a new policy book. In the event that a new CMEP policy is put into place and/or a policy is revised, the workforce will be trained on this policy and will sign an attendance sheet that they have received the training. If a new policy book is not printed at the time, the employee will receive a hard copy of the policy and sign off that they have received the policy. The bottom of the policy hard copy handout will have an “Effective Date” and “Revision Date” on it. If there are no new policies or no revisions to the current policies, a new policy book will not be printed.
- An updated master copy of the policy book will reside in the Human Resources department, Labor Relations, OCU Union Hall, and the DWU Union Hall.
Letter of Agreement #4

VOLUNTARY TRANSFER

This letter is to confirm the commitment of the Company and the Office Committee Union to continue to use the Preferential Hire process to allow CMEP OCU members the opportunity to be considered for employment under the Base Business contract and Base Business OCU members the opportunity to be considered for employment at CMEP. It is agreed that these positions will be offered after they have been posted internally under their own Labor Agreement.

It is also the commitment of the Company and the Office Committee Union to attempt to create and implement a Voluntary Transfer Process for employees to provide opportunities to transfer to positions at other locations in Southern Indiana.