

K# 3208

ees = 2,250



LABOR AGREEMENT

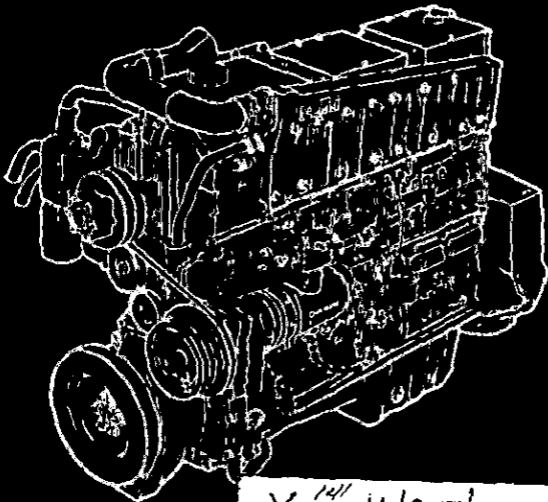
1993 - 2004

between

DIESEL WORKERS UNION

and

CUMMINS ENGINE COMPANY, INC.



X-¹⁴¹ 4/25/2004

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JANUARY 1, 1996 - APRIL 25, 2004
PROVISIONS

BLS

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X - 4/25/2004

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PREAMBLE

THIS AGREEMENT, effective the 25th day of April, 1993 by and between CUMMINS ENGINE COMPANY, INC., hereinafter referred to as "COMPANY", and DIESEL WORKERS' UNION, hereinafter referred to as "UNION".

THE PARTIES HERETO MUTUALLY AGREE
AS FOLLOWS:

ARTICLE 1 - STATEMENT OF PURPOSE

1.1 The Agreement is the entire Agreement between the two parties concerning wages, hours, benefits and working conditions all which are guaranteed for the length of this agreement. This contract may be changed only by mutual agreement between the two parties with the exception of wages and benefits which cannot be reduced for the life of this agreement. 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 the Cummins' plants located in Southern Indiana so they will be recognized as the best in the world in the eyes of their Customer. This goal is agreed to be of benefit to our customers, suppliers, employees, stockholders and the communities in which we work. All employees are dedicated to the continuous improvement of the operation to achieve this objective.

Further, both the Union and Company are committed to better serve the customer through working in Teams. We believe that being organized into Teams better empowers people to work together to meet their customer's expectations, such as on time delivery with no defects and the elimination of waste in the process so cost is reduced, and to create a safe and healthy environment.

In order to achieve this goal the company recognizes the importance of providing employment security to all employees either through an employment guarantee or aggressively managing "rings of defense" which allows removal of all barriers to continuous improvement.

1.2 The Company and the Union recognize that it is in the best interests of both parties, the

employees and the public, that all dealings between them continue to be characterized by mutual responsibility and respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of the contract fairly in accord with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all employees in the unit. Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and the measures they have agreed upon to insure adherence to this purpose.

1.3 It is expressly understood that this Agreement, when executed, shall supersede any past Agreement, policies and practices which conflict with the provisions herein contained and these provisions shall be binding upon the parties hereto.

In some instances, Management may elect not to fully utilize the flexibility provided by this Labor Agreement particularly during the implementation phase. The fact that Management does not, at all times, make full use of these provisions does not constitute a waiver of its right to do so.

1.4 The parties agree that during the negotiations 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 understanding and agreements reached during the negotiations.

1.5 *Matters coming up during the life of this Agreement which concern wages, hours, or working conditions of the employees and which are not included in this Agreement may, by mutu-*

al consent, be agreed upon and executed in writing by the parties hereto and made a part thereof. No modification of this Agreement shall bind the parties unless executed in writing by the parties hereto and made a part hereof.

ARTICLE 2 - RECOGNITION

2.1 The Company agrees to and does recognize the Union as the exclusive bargaining representative of all regular full time production and maintenance employees with respect to rates of pay, hours of work, or other conditions of employment at the Company's plants:

Columbus Engine Plant,
Fuel Systems Plant, *
Cummins Industrial Center,
Madison Components Plant

together with their outlying facilities in Columbus, Seymour and Madison, Indiana area.

(* Previously known as Parts Distribution Center.)

The Company agrees to and does recognize the Union as the exclusive bargaining representative of all temporary employees. Temporary employees are not covered by the terms and conditions of this labor agreement except as noted in Article 29.

Excluded from the bargaining unit are: office employees, plant clerical employees who are currently represented by a bargaining unit other than the DWU, timekeepers, time study employees, experimental and technical employees, supervisors, guards and professional employees within the meaning of the National Labor Relations Act. This collective bargaining agreement has no applicability to any current or future operations related to the manufacture of midrange engines and components other than

those Midrange components which the Company elects to have manufactured in an existing facility currently covered by this Agreement on the date of its execution.

Midrange work that is being performed at other Cummins Plants represented by the Diesel Workers Union will not be transferred to the Cummins Midrange Engine Plant without written agreement of the Union.

Midrange work that is being performed now and/or in the future at the Cummins Midrange Engine Plant will not be transferred to plants identified in Article 2 of this agreement without written agreement of the Union.

In the event that in the future, the Company builds, buys, or leases a new production facility within the area from which the present work force is drawn, in which there is no recognized collective bargaining representative, and which manufactures diesel engines or parts similar to the present products, requiring similar skills to the present operations covered by this Agreement, it is agreed that the Diesel Workers' Union shall represent such facility. How and when the new unit is established and its terms and conditions will be negotiated by the parties at the time it becomes a large enough unit to establish recognition.

The Company agrees that future assignments of all production and maintenance work for new facilities in the area from which the work force is drawn will be made in accordance with the terms of the Diesel Workers' Union certification. The Company agrees that maintenance assignments in new facilities established in the area from which the work force is drawn will be made to the DWU consistent with the assignment in existing facilities. All such maintenance assignments will be discussed with the Bargaining Committee of the DWU prior to assignment.

All current DWU maintenance assignments shall remain as presently assigned.

2.2 The Company states that it will abide by the provisions of the National Labor Relations Act in its conduct during any D.W.U. organizational drive.

2.3 The Company agrees to and does recognize the Union as the exclusive bargaining representative of all production and maintenance employees employed at its Parts Distribution Center in Indianapolis, Indiana, located on 30th Street and Shadeland Avenue. All current DWU maintenance assignments shall remain as presently assigned. The provision of Section 2.1 of this Article 2 shall not apply to this Indianapolis facility.

ARTICLE 3 - NON-DISCRIMINATION

3.1 Neither the Company nor the Union shall discriminate against any employee because of race, color, religion, creed, sex, age, national origin, disability or Vietnam era veteran's status or for the purpose of evading the spirit of this Agreement. Such action shall include, but not be limited to, the following: promotion, demotion, transfer, layoff, termination, rates of pay or other forms of compensation.

3.2 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 provision in conflict therewith but shall not affect the other provisions of this Agreement.

ARTICLE 4 - UNION SECURITY

4.1 It shall be a condition of employment that all employees covered by this Agreement who are members in good standing shall remain members

in good standing and those who are not members on the effective date of this Agreement shall, on the 31st day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after this effective date shall, on the 31st day following the beginning of such employment, become and remain members in good standing in the Union.

4.2 In consideration of the Company's entering into this Collective Agreement, which Agreement includes in this Article a Union Shop provision, the Union hereby agrees to indemnify the Company and hold it harmless from any and all claims, liabilities and costs to the Company which arise out of entering into or the enforcement of this Article.

4.3 The Company agrees to provide a one-half hour period for an appropriate Union officer to orient and process into the Union all new production and maintenance employees on the date they are hired.

4.4 All Union dues and initiation fees in accordance with the Diesel Workers' Union Constitution and By-laws, shall be deducted by the Company from each weekly payroll check commencing the Monday following presentation by the Union to the Company of a written authorization signed by the employee represented by the Union. To be fair and consistent, all authorized Union members will be required to pay and the Company to deduct dues from the equivalent of fifty-two (52) pay checks yearly. The following will be excluded: layoff due to reduction of work force, scholastic leaves, military leaves in excess of thirty (30) days, political leaves, and Peace Corps leaves.

4.5 When an employee covered by this Agreement becomes delinquent by more than nine (9) weeks in the payment of the Union dues or initiation fees, the Union shall notify the employee in writing, registered mail, return receipt requested, copy to the employee's department head and the Employee Relations Department that said employee is delinquent in the payment of any Union dues and initiation fees as specified herein and accordingly will be subject to discharge as an employee of the Company.

4.6 The Company shall furnish the Union a weekly record of every employee's dues and death benefit deduction. The system of providing the Union a weekly record of dues and death benefit deductions shall be mutually agreed to by the Union and the Company.

4.7 Where there are deductions made for dues, death benefit deduction and initiation fees from an employee that the employee does not owe, it shall be the responsibility of the employee to obtain the appropriate refund from the Union.

4.8 The Company agrees to deduct benefit money from payroll checks as deaths occur. The Secretary Treasurer will notify the payroll department on a prearranged basis of the need for these deductions. The prearranged schedule will be mutually agreed to by the Union and Company.

4.9 During the course of this Agreement, the Company may elect to implement a bi-weekly direct deposit payroll system. This system will be offered to employees hired prior to June 1, 1976 as a voluntary alternative to the manual payroll policy.

Union dues and deductions per the other provisions of this Article shall apply to the direct deposit payroll system.

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 proper cause
- . relieve from duty for lack of work or other legitimate reason
- . 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 production
- . establish jobs, determine job content, design and assign work
- . make reasonable work rules
- . manage the operation
- . subcontract work
- . discontinue operations; (including temporary shutdowns as provided in this agreement) eliminate or relocate any work (provided such action does not violate any other provision of this labor agreement)

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 Any changes in work rules and/or procedures for their administration shall be implemented after advance notice to the Union.

Once advance notice has been given implementation will take place unless the Union elects to grieve the reasonableness of the rule or procedure changes within fourteen days of the Company's notification. If the Union elects to grieve the reasonableness of the work rule change or procedure change, the Company will delay implementation until the arbitrator has rendered a decision.

5.4 The Union recognizes the Company's right to discharge for proper cause. The Company agrees that a representative of the Union will be present at meetings held with a bargaining unit employee for the purpose of discharge or imposing a disciplinary layoff either served or suspended.

5.5 A verified attempt will be made to contact a Union official before an employee is instructed by supervision to leave the premises due to a work rule violation.

ARTICLE 6 - BARGAINING COMMITTEE, GRIEVANCE COMMITTEE AND SHOP STEWARDS

6.1 The Union shall have the right to appoint or elect Shop Stewards. The total number of Shop Stewards will not exceed one for each 75 employees in the unit. Stewards shall have the right to receive but not solicit grievances, investigate them during work hours, present grievances to their Team Manager or Shift Coordinator and in general to assist in the promotion of harmony and

adjustment of difficulties. The Shop Steward will have the authority to resolve issues on behalf of any and all employees in their jurisdiction. Shop Stewards 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 Union will provide the name of the shop steward(s) to the Company.

6.2 The Union shall have the right to appoint a Grievance Committee of not more than four (4) employees per shift, two (2) of which will be Bargaining Committee members. The Grievance Committee shall have the right to process grievances at Step 2 of the Grievance Procedure but shall not get involved in problem solving and Step 1 of the Grievance Procedure. Grievance Committee members shall not abuse the privilege of processing grievances on Company time.

6.3 Union officials will not recognize complaints from employees until employees have first discussed them with their Team Manager or Shift Coordinator.

6.4 The Union shall have the right to elect or appoint a Bargaining Committee and Chief Shop Stewards, the total of which will not exceed twelve (12) or, a ratio of one (1) for each five hundred (500) bargaining unit employees, whichever is greater.

- A. Union representatives will not be paid overtime pay by the Company for Union activity outside their regularly scheduled shift unless they are attending meetings prearranged with Management.
- B. Bargaining Committee members will be paid by the Company for their time spent on Union business within their regularly scheduled shift.

- C. The Shift Grievance Committeeman will be paid by the Company for the time spent investigating grievances in accordance with the Grievance Procedure or in meetings with Management within his regularly scheduled shift.
- D. The Chairman or Acting Chairman of the Grievance Committee will receive the appropriate rate of pay for time spent investigating grievances, regardless of shift.
- E. Shop Stewards will be paid by the Company for the time spent on Company premises processing grievances in accordance with the Grievance Procedure or in meetings with Management on their regularly scheduled shift.

6.5 The Union representatives, except recognized Bargaining Committee members, Chief Stewards and Grievance Committeemen, shall obtain permission in writing from their Team Manager or Shift Coordinator before leaving the employee's department. This written permission is to indicate the time of departure, time of return, and reason for leaving the job. The employee is to report to the Team Manager or Shift Coordinator of the department he is visiting before contacting any employee in the department and is to notify the Team Manager or Shift Coordinator of the reason for the visit, including the signing in and out with the Team Manager or Shift Coordinator in the area of each department visited, and whoever is contacted will permit the Union representative to talk to the aggrieved party.

Bargaining Committee members, Grievance Committeemen, and Chief Stewards will inform the Team Manager or Shift Coordinator of a

department the reason for the visit before contacting any employees in the department.

6.6 Anytime the Team Manager or Shift Coordinator wishes to call an employee's attention to a specific problem on the line, he may do so. However, if a Team Manager or Shift Coordinator determines there is a need to discuss the possibility of corrective action and/or the application of corrective action the employee must be called to the office by his Team Manager or Shift Coordinator and a Shop Steward must be present.

6.7 The Company will furnish the Union weekly lists of all hires and separations from the bargaining unit. The Company will also provide the Union semi-annually or at the request of the Secretary-Treasurer a copy of the names and mailing addresses of all employees under the jurisdiction of the Union.

6.8 When an employee is elected to the office of President, Vice-President, Secretary-Treasurer, or Bargaining Committee, he may be transferred to another shift on an open job in his shop rate at the Union's request, so long as it occurs only once each calendar year. Any additional transfer must be approved by the Employee Relations Manager.

6.9 No Shop Steward shall be transferred from his area or shift without his consent.

Where a Shop Steward represents more than one (1) Team, the Union will ensure, whenever possible, that the Teams are located in close proximity to one another.

ARTICLE 7 - 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 terms of this Agreement, including any 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 problem solving and grievance procedure and arbitration procedure when discipline is for such cause. *However, the Union may question the fact of instigation, participation or leadership through the problem solving and grievance procedure 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 8 - PROBLEM SOLVING AND GRIEVANCE PROCEDURE

8.1

- A. 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 regular full time employee may involve his/her shop steward in the problem solving process. Employee disagreements and Union/Management disagreements must be brought to the attention of the Company within five (5) working days of the occurrence of the alleged violation, or within five (5) working days of the 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) days. 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. Any resolutions resulting from the problem solving process will be on a non precedent setting basis.

- B. Temporary employees may file grievances, the scope of which will be limited to the provisions of Article 29.

8.2 The term "grievance" as used in this Agreement is defined as a complaint of a regular full time employee (or temporary employee per the provisions of Article 8.1.B) or the Union on behalf of such an employee alleging failure of the Company to comply with a specific provision of this Agreement not excluded from this grievance procedure.

8.3 A grievance to be recognized, must be brought to the attention of the Company (at Step 1) within five (5) working days (excluding Saturday, Sunday, holidays and vacation) of the date of the response received by the employee/Union during the problem-solving process.

8.4 If a grievance arises, it will be settled in the following manner:

Step 1

The employee having a grievance will attempt to adjust it with the Team and the Team Manager or Shift Coordinator. Any employee may involve his/her shop steward in this step of the problem solving and grievance procedure. The Team Manager or Shift Coordinator will give his/her answer to the employee within two (2) working days. Any resolution resulting from this step will be on a non-precedent setting basis.

Step 2

If the grievance is not satisfactorily resolved at Step 1, the employee and the shop steward may advance the grievance to Step 2 by submitting the grievance in writing within two (2) working days following the Step 1 answer. The Company will schedule a meeting and hear the grievance within twenty (20) working days following the receipt of the grievance in the Employee Relations Department.

Step 2 will consist of a meeting including the shop steward, any member of the DWU Bargaining Committee, the Business Manager and Human Resource Manager. The Business Manager and Human Resource Manager will give the Company answer on the grievance in writing within two (2) working days of the grievance meeting.

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 chairman of the union grievance committee, the appropriate shop stewards and any member of the DWU Bargaining Committee or an approved representative. The grievance will be presented to the Plant Manager, a representative of Central Labor Relations, appropriate area management and the Senior Human Resource Manager for the respective geographical area. The Company disposition will be given by a different person at each step of the grievance procedure.

Medical claim grievances, Union grievances and grievances related to discharge will start at Step 3.

If no solution acceptable to the Union is worked out the Human Resource 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.

If the Company's answer at Step 3 is unsatisfactory to the Union, the grievance may be appealed to arbitration.

8.5 The failure of the Union to advance a grievance within the time commitments identified in 8.4 - Step 2 and Step 3 - shall be considered for all purposes as an abandonment of the grievance on a non-precedent setting basis. The failure of the Company to meet the time commitments identified in Article 8.4 - Step 2 and Step 3 - shall result in the grievance being granted on a non-precedent setting basis.

ARTICLE 9 - ARBITRATION **FILE COPY**

9.1 If no satisfactory disposition is made of a grievance through the first three (3) steps of the Problem Solving and Grievance Procedure, the Union shall notify the Employee Relations Manager, in writing, within fifteen (15) working days after receipt of the Company's written final answer, of its intention to arbitrate the matter. The Company and the Union agree in such cases to accept and be bound by the decision of the arbitrator.

9.2 On the second Monday following the Union's receipt of the Company's written final answer, the parties shall jointly select an arbitrator by alternately striking names from the panel of arbitrators agreed to in advance by the parties. The conduct of the arbitration proceeding shall be in accordance with the rules of the Federal Mediation and Conciliation Service or the American Arbitration Association.

9.3 The failure of the Union to appeal a grievance to arbitration within fifteen (15) working days after receipt of the Company's written final answer and failure of the Union to select an arbitrator as identified in 9.2 shall be considered for all purposes as an abandonment of the grievance on a non-precedent setting basis. The failure of the Company to select an arbitrator as identified in 9.2 shall result in the grievance being granted on a non-precedent-setting basis.

9.4 The fee of the arbitrator, the rent, if any, for the hearing room and the cost of the services of the Federal Mediation and Conciliation Service or the American Arbitration Association and any other fees and costs shall be borne equally between the Company and the Union. The expenses of each witness and the compensation

of any assisting witnesses for either side shall be paid by the party producing such witness, but the expenses of any witness and the cost of any proofs produced at the direction of the arbitrator shall be borne equally by the Company and the Union. Each party shall pay the expenses and the compensation of its representatives participating or in attendance at the arbitration hearing.

9.5 The arbitrator may interpret this Agreement and apply it to the particular case presented to him, but he shall, however, have no authority to add to, subtract from or in any way modify the terms of this Agreement or any agreement supplemental hereto.

9.6 It is agreed that any dispute arising incidental to the negotiation of the terms of a new Agreement or the negotiation or modification of the terms of this Agreement are not governed by this Article, the sole purpose of which is to make grievances arising out of and during the term of this Agreement subject to arbitration.

9.7 Awards and settlements of grievances by the arbitrator may or may not be retroactive depending upon the particular circumstances of the case. When a retroactive adjustment is required, the maximum award which can be made will be determined by the date on which the grievance was first presented in Step 1 of the Problem Solving and Grievance Procedure.

9.8 When a case is referred to the arbitrator, both the Company and the Union may submit to him in writing such information as they may desire, bearing on the facts in the case. Both parties shall seek the timely resolution for all grievances referred to arbitration and shall cooperate in the diligent prosecution of such cases. The hearing will be conducted at the arbitrator's earli-

est convenience. Where the parties do not agree to a request for an "instant ruling" the arbitrator shall be required to render his decision in writing as soon as possible and within the time limits agreed by the parties. Each party shall have only one (1) day to present its case to the arbitrator but such time may be extended upon request of the arbitrator.

9.9 All monetary awards and settlements (e.g. labor grade placement errors) of grievances will be made within fifteen (15) regularly scheduled working days from the date of the grant. Should the settlement not be forthcoming within the specified time the plant manager is to be notified and payment made within two (2) working days.

Non-monetary settlements and resolutions (e.g. overtime make up opportunities) will be initiated as soon as reasonably possible and completed within sixty (60) regularly scheduled working days (unless the parties agree to an alternative schedule). Should this time frame not be met, the plant manager is to be notified to guarantee prompt action.

Article 10 - CLASSIFICATION AND PROGRESSION, MAINTAINING SKILLS AND CONTINUOUS IMPROVEMENT TEAMS

A. Classification and Progression

All regular full time employees within the operation will be classified as probationaries or production/maintenance Team members (shop rates A, B and C) or skilled trades Team members. There is no ownership of work functions within the bargaining unit. Work may be assigned at any time to any bargaining unit employee without regard to that employee's current

assignment or classification per Article 13.

Employees will be required to keep current with the changing requirements of the business and their jobs. Entry into a classification and continued assignment within a classification will be determined by management. The Company will identify and support learning activities for competency acquisition and retention by employees.

B. 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 Cummins will provide training opportunities and will create a climate which is conducive to continuous learning for all Team Members. Developing and maintaining skills is a necessary part of every employee's job.

Teams will be expected to establish efficient and effective methods of accomplishing training. Where more than one Team is involved, the respective Team Leaders will make appropriate accommodations to facilitate the required training.

C. 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 Production 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.

ARTICLE 11 - SENIORITY

11.1 DEFINITIONS

- A. BARGAINING UNIT SENIORITY -** Bargaining unit seniority rights for regular full time employees hired prior to April 25, 1993 shall be determined from the date of employment for each employee. The date of re-employment shall be considered as the basis for seniority rights for any regular full time employee who has voluntarily quit, has been discharged, or who has lost seniority rights due to layoff. Where more than one employee has the same date of hire, seniority will be determined by alphabetical ranks of their last names, at the time of hiring.
- B. GEOGRAPHICAL AREA SENIORITY -** Regular full time employees hired after April 25, 1993 shall only maintain geographical area (per Article 12.1.C.) seniority. Geographical area seniority rights shall be determined:
- 1) From the date of employment in a geographical area once the probationary period is complete for each regular full time employee and will apply

only in the area in which he was hired.

- 2) From the date of transfer to a geographical area under Article 12.4.E., to be effective as of the expiration of recall rights to the home area.

C. **BROKEN SENIORITY** - Means seniority lost because of layoff, quit, or discharge except as noted in the Leave of Absence Policy.

D. Seniority rights for employees on layoff who have completed their probationary period shall accumulate for the first twelve (12) or thirty-six (36) consecutive months of layoff per 11.1.E.

E. **PROBATIONARY EMPLOYEES** - The probationary period for employees is four (4) months. Retention of a probationary employee shall be at the discretion of the Company and is not subject to the grievance or arbitration procedures. During this time, they may be laid off or discharged, irrespective of length of employment.

Recall rights for employees on layoff shall be according to the following categories:

<u>Seniority Last Hiring Date</u>	<u>Recall Rights</u>
After April 25, 1993	12 Months
Prior to April 25, 1993	36 Months

F. Employees on layoff status with a seniority date between 9/17/73 and 6/14/75 will have an extended recall period of 12

months from their current recall expiration date. Employees laid off after 11/4/90 with a seniority between 3/5/76 (M.L. LaMaster) and 5/17/76 (S.D. Ayers) will have recall extended to April 25, 1994. If recalled during this period and then laid off, the recall rights schedule identified in Article 11.1.E will apply.

11.2 LOSS OF SENIORITY

Employees shall lose their Diesel Workers' Union bargaining unit seniority and be terminated for the following reasons:

- (a) Voluntarily quits the Company.
- (b) Layoff for a period of thirty-six (36) or twelve (12) months in accordance with Section 1 of this Article.
- (c) Discharge for proper cause.
- (d) Failure to return to work within ten (10) days after being recalled from layoff. The Company shall have fulfilled the recall obligation if it gives notice by certified mail, return receipt requested, to the last address filed by the employee with the Company. It is the responsibility of employees to notify the Company of any such changes in address.
- (e) Overstaying a leave of absence unless for justifiable reasons.

11.3 TRANSFER OUT OF BARGAINING UNIT

Regular full time employees who have been or shall be transferred or promoted outside the Diesel Workers' Union bargaining unit to a non-exempt job immediately forfeits all seniority rights covered for Diesel Workers' Union members specified in Article 2 of this agreement.

A bargaining unit member who is transferred to an exempt or security position will maintain his seniority, but will accumulate no further seniority after the date of the transfer. Employees transferred to an exempt position prior to March 1, 1969 shall accumulate seniority only up to March 1, 1969.

Any employee returning to the Diesel Workers' Union shall be placed on an open Team vacancy in accordance with their seniority in the Diesel Workers' Union and shall thereafter be ineligible to move for a period of six (6) months from the date of transfer back into the unit. There shall be no employees return to Diesel Workers' Union while the bumping or layoff procedure is in effect.

11.4 UNION OFFICIALS

- A. The members of the Bargaining Committee, during their tenure of office hold seniority rights over any employee in the bargaining unit for the purpose of lay-off and recall only. After his tenure of office, and his bargaining unit seniority will allow, the employee will be returned to the Team he was in at the start of his term, unless he is a successful bidder on another Team, in which case he would be assigned to the Team on which he successfully bid. The members of the bargaining committee do not have seniority rights over other regular full time employees for the purposes of Team selections.

- B. Shop Stewards, Chief Stewards, and Grievance Committeemen, during their tenure of office, hold seniority rights over other employees in the bargaining unit under their jurisdiction in accordance with the following:

- . A Shop Steward assigned to a Team will be the last employee removed from that Team.
 - . No shop steward will be transferred from his/her area of representation or shift without his/her consent.
 - . Chief Stewards and Grievance Committeemen shall have seniority rights over other employees for the purpose of retaining their shift assignment *only*.
 - . In the event of a layoff, Shop Stewards, Chief Shop Stewards, and Grievance Committeemen who are not protected under Article 14 will be laid off according to their bargaining unit seniority, or geographical area seniority if hired after April 25, 1993.
- C. The Union will provide the Company, when requested, a list of current Shop Stewards and the departments they represent.

ARTICLE 12 - PROMOTIONS, TRANSFERS, DEMOTIONS, LAYOFF AND RECALL

12.1 DEFINITIONS

- A. Layoff - A condition in which there is insufficient work within a geographical area or the bargaining unit, whichever is applicable, which results in bargaining unit employees being laid off.
- B. Recall - Return from layoff to active status with no loss of bargaining unit seniority or

geographical area
seniority per Article 11.

- C. Area - Geographical areas defined as 1) Columbus- 2) Seymour, 3) Madison, 4) Fuel Systems Operations and 5) the Indianapolis Parts Distribution Center:

Newly established areas must be agreed to by the Company and the Union.

- D. Vacancy: A Team opening to be filled in accordance with the procedure outlined in Article 12.3.

- E. Employee: All references to employees and/or regular full time employees or Team members in this Agreement do not apply to temporary employees hired under Article 14.2.B.

- F. Qualified - seniority and ability to efficiently perform the work.

- G. The definition of original Team:

1. A Team bid for and assigned.
2. A Team held for a period of over one (1) year.
3. A Team to which an employee with no reinstatement rights has been assigned to.

12.2 SELECTIONS AND INVOLUNTARY REMOVAL FROM AN ASSIGNED TEAM

- A. It shall be the desire of the Union and Company to advance regular full time employees hired prior to April 25, 1993 on the basis of seniority and qualifications.

Seniority will be the primary criteria (except as noted in 12.2.C.) for Team selection for those employees hired prior to April 25, 1993 who have successfully completed the following training requirements:

- . Cummins Production System
- . Problem Solving
- . Continuous Improvement Process
- . Overview of Statistical Process Control
- . Working in Teams

It is the responsibility of the Company to schedule and provide this required training prior to January 1, 1996.

- B. For employees hired after April 25, 1993 - the principles of seniority shall govern when it has been determined that qualifications of employees under consideration for a vacancy are considered equal when filling job vacancies. It shall be the Company's responsibility to make such selections, with the intent to delegate that responsibility to the Teams.
- C. Teams which are formed as a result of new products on new processes being brought into the Bargaining Unit will fill vacancies using the procedure described in B above including employees hired prior to April 25, 1993.
- D. The Union and the Company recognize that failure of an employee to meet the standards of a Team for which he is selected will result in removal from that Team. Such an employee shall not be eligible to bid for six (6) months. When an employee is removed from a Team a

Chief Steward or a member of the Bargaining Committee will be present at the meeting.

12.3 TEAM PLACEMENT PROCEDURES

12.3.1 TEAM MEMBERSHIP:

Employees maintain Team membership unless:

- A. An employee must be transferred because of inability to be reasonably accommodated to perform the essential tasks of the assigned Team.
- B. An employee is made available as a result of his inability to perform the tasks of the assigned Team.
- C. An employee is laid off.
- D. An employee returns to the DWU bargaining unit from transfer outside of the bargaining unit.
- E. An employee is declared excess from his Team and remains assigned outside the Team for twelve (12) consecutive months.

12.3.2 ADMINISTRATION:

- A. Permanent vacancies within Teams to be filled shall be posted on all Bulletin Boards at all locations except as noted in 12.4.E. Regular full time employees hired after April 25, 1993 may only bid in the geographical area to which they were hired. The Team position will remain posted for a period of three (3) working days. The posting will include Team

name, department number, current training requirements and a brief summary of Team responsibilities.

- B. An employee may make application for a posted Team position on a form provided by the Company. The form shall be signed and dated by the employee making application and his current Team Manager or Team Leader. The application must be forwarded to Factory Hourly Placement using the appropriate process within three (3) working days of the posting.
- C. Applications will be delivered through Factory Hourly Placement to the Team Manager or Team Leader of the gaining Team.
- D. Gaining Teams will be responsible for the selection process of permanent Team members.
- E. For employees hired prior to April 25, 1993:

The principles of seniority shall govern subject to the provisions of Article 12.2.A (except as described in Article 12.2.C.).

The five (5) most senior applicants for each opening will be given the opportunity to participate in an interview and deselection process. This process typically includes a general orientation, communication of current Team training requirements, individual interviews and other means of assessing applicants where applicable.

F. For employees hired after April 25, 1993:

The principles of seniority will govern when it has been determined that the qualifications of employees under consideration for a Team vacancy are equal.

A sufficient number of applicants for each opening will be given the opportunity to participate in the selection process which typically includes a general orientation, communication of current Team training requirements, individual interviews, certified written tests and assessment of hands on knowledge where applicable.

G. Successful applicant(s) will move on the second Monday following the Team Manager informing the successful applicant and his Team Leader and Team Manager.

H. Employees who are successful bidders into Teams which are shop rate "A" will not be eligible to bid again for twelve (12) months. Employees who are successful bidders into Teams which are shop rate "B/C" will not be eligible to bid for nine (9) months. Bid restrictions will begin on the effective date of the move.

I. Should there be no qualified applicants for a posted Team vacancy, the temporary placement procedure as defined in Article 13.3 and 13.6 will be used to temporarily fill the vacancy. Employees with a seniority date prior to April 25, 1993 will be temporarily assigned based on their area/shift preference.

12.4 LAYOFF/RECALL - NOTIFICATION

- A. The Union and the Company agree that layoffs, while unavoidable at times, are not advantageous and should be avoided whenever possible by exercising other options as noted in Article 14 of the current Labor Agreement. Layoff should be considered a last step in "Rings of Defense".
- B. For those employees without employment security per Article 14, there will be two (2) classifications for layoff and recall purposes:
- . Production/Maintenance Team Members
 - . Skilled Trades Team Members/
separate seniority within each trade

When it is necessary to reduce the workforce, the unprotected employees to be laid off from each of the two (2) classifications will be identified by the Company based on seniority and ability to perform the work. The Union will be notified in advance. Temporary and probationary employees will be laid off prior to any regular full time employee being laid off.

- C. In the event of layoff or recall, the Union shall be advised of the name and clock number of employees to be laid off or recalled.
- D. The Company agrees to inform the Union, unless unusual circumstances prevent it from doing so, one week in advance in the event of a permanent layoff and at the time of the recall of laid off employees.

E. In the event of a reduction in the workforce in any geographical area the following procedures will be used:

- 1) Reductions will occur within classifications based on bargaining or geographical area seniority, whichever is applicable, unless an employee is qualified to perform available work that a senior employee is unable to perform.
- 2) The Company will determine the number of employees to be reduced within a geographical area. Temporary employees will be released prior to implementing Step 3 below.
- 3) *Headcount reductions will occur in the following order:*

Category a) Probationary employees in all geographical areas

Category b) Employees hired after April 25, 1993 in all geographical areas

Category c) Employees recalled after April 25, 1993 but with a bargaining unit seniority date prior to April 30, 1990.

Category d) Active employees on April 25, 1993 who were hired prior to April 30, 1990 will not be laid off, but may be temporarily assigned per Article 13.3 and 13.6.

Employees in category B who are laid off from their geographical area will be placed on layoff

status with preferential transfer to other geographical areas.

Preferential Transfer - Category B employees placed on layoff status shall have voluntary transfer rights to other geographical areas if openings exist. Category "B" employees will be placed on a preferential transfer list based on accumulated geographical area seniority. Preferential transfer will be voluntary, with assignments being made on a temporary basis per Article 13.6. Employees must accept recall to their original geographical area for one (1) year. If recall rights expire at their original geographical area, they will become permanent at the transfer location and eligible to bid. Declining a preferential transfer will not affect recall rights to an original geographical area.

Employees hired before April 25, 1993 (Category C and D) will exercise bargaining unit seniority within their designated area and shift. An available employee not permanently assigned shall be temporarily assigned to an existing Team in a shop rate no higher than his present shop rate in accordance with his area/shift preference. During such temporary assignment, the employee shall maintain his pay rate.

The Area/Shift Preference Form will be effective the Monday following the date stamped as received by the Factory Placement Department. A copy will be sent to the employee through his Team Manager. An employee physically assigned to his original Team or who has been made available per Article 13.5 or waived reinstatement rights to a relocated Team (see Article 13.5) may submit or pull an area/shift preference form unless the processing of transfers for the layoff or bumping procedure is in process. The Area/Shift Preference file may be closed for one week in preparation for a major move during a pre-posting period or for one week following a major move to allow for corrections. The Union will be notified in advance. If an employee's original

Team changes, such employee area/shift preference will remain in effect for area and/or shift of new original Team unless removed by the employee. When an Area/Shift Preference Form is removed it must be dated and signed or stamped as received by the Factory Placement Department and returned to the employee through his Team manager.

If an employee has been selected for a posted Team, his area/shift preference will be changed as indicated on the bid sheet.

Employees will be declared available within a Team. An employee declared available shall bump the least senior employee in his shop rate if he is qualified, provided there are no Team openings available in his shop rate. However, employees who prefer to remain in their present area and/or on their present shift shall sign an Area/Shift Preference Form. When using the bumping procedure employees who have signed an Area/Shift Preference Form shall exercise their seniority rights in the area and/or on the shift for which they have signed a form.

Employees who have designated a shift preference only will exercise their seniority rights on the shift designated. When they no longer have seniority to stay on their designated shift, they shall be placed in line with their seniority but in a shop rate no higher than they have reinstatement rights to. After the posting procedure if the employee has no reinstatement rights, he shall be placed in line with his seniority to a shop rate no higher than that to which he was assigned.

Employees who have designated an Area Preference only will exercise their seniority rights in the area designated. When they no longer have seniority to stay in their designated area, they will be placed in line with their seniority but in a shop rate no higher than they have reinstatement rights to.

Employees who have designated both an area

preference and a shift preference will first exercise their seniority rights on the designated shift within the designated area after the bidding procedure. When they no longer have seniority to stay on the designated shift, they will be placed in line with their seniority within the designated area. When they no longer have seniority to stay in the designated area, they will be placed in line with their seniority but in a shop rate no higher than they have reinstatement rights to.

This process shall continue until employees are successfully placed on Teams which they are qualified to perform or have exhausted their bargaining unit seniority.

An employee transferred through the bumping procedure will have reinstatement rights to his original area, to his original shift, to his original shop rate and to his original Team.

All openings created by the layoff procedure to be permanently filled will be posted using the Team placement procedures identified in Article 12.3. Management may elect to temporarily fill openings created by the layoff procedures using temporary assignments per Article 13.3 and 13.6. A temporarily assigned employee will retain rights to his Team in accordance with Article 12.3.1.

12.5 TEMPORARY LAYOFFS

- A. Temporary layoff is the temporary separation from service of an employee because of a machine breakdown or an Act of God.

Temporary layoff will not necessarily be by seniority. The Company will make an effort to place the affected employees by seniority on other work before layoffs are made. Reinstatement rights are not affected by temporary layoff.

In the event the Company has reason to

believe the temporary layoff will exceed five (5) regular working days, the procedure for a layoff will be placed in effect, unless the temporary layoff period is extended by mutual agreement between the Union and the Company.

Article 12.5.B applies only to employees hired after April 25, 1993.

- B. In view of the expected new product changes, new process introductions, capacity additions, and other potential requirements to shut down sections of the plant to accommodate volume growth and any other business needs, disruptions to regular working hours may periodically occur. The first five (5) days of such production interruption, not caused by an Act of God, in any calendar year will be used for training and improvement activities at regular pay for hours worked.

In the event of a temporary layoff not anticipated to exceed fifteen (15) consecutive working days duration, the layoff and transfer procedures of Section 12.4 will not apply. If such temporary layoff exceeds fifteen (15) consecutive working days the layoff and transfer procedures shall be implemented. Management will declare temporary layoffs as needed, based upon business needs.

If the Company decides that some employees are needed to work during a temporary layoff, the decisions about which employees will be laid off in each affected department will be made as follows:

- 1) The employees performing the same work in that department on that shift will be given the opportunity to volunteer to be laid off.
 - 2) If there is no volunteer, the least senior employee(s) performing that work in that department on that shift shall be laid off.
- C. Accumulated vacation days with pay may be taken during these periods.

12.6 RECALL

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- A. Employees will be recalled to the classification from which they were laid off as openings occur which they are qualified to perform in line with their geographical area seniority or bargaining unit seniority whichever is applicable.
- B. Employees must accept recall or will forfeit their seniority in accordance with Article 11.
- C. Employees returning from layoff will be temporarily placed per Article 13.3 and 13.6.

12.7 NOTIFICATION OF INTENT TO RETURN TO WORK FROM LAYOFF

An employee must notify the Company of his intention to return to work within two (2) working days after he receives notice of recall. If he does not, he will lose seniority rights to the next qualified employee on the seniority list and each additional day's failure to report shall cause one additional drop in seniority. These losses in seniority standing are only for the particular opening for which the original call was made.

For failure to report within ten (10) working days after recall, the employee will be considered as having voluntarily quit.

12.8 SWING TEAM

If Management elects to establish a swing Team by geographical area and/or areas of geographical areas and/or shift, assignments will be made by Management to best meet business needs.

12.9 MEDICAL RESTRICTIONS

After it has been determined an employee can not be reasonably accommodated on any vacancy which is available to them through the placement procedures, they will be placed on weekly indemnity benefits as defined in the group insurance plan.

ARTICLE 13 - WORK ASSIGNMENTS/ TEMPORARY ASSIGNMENTS/ EXCESS MANPOWER/ PROCESS CHANGES

The Union and Company recognize the necessity of meeting production needs as well as all Team Members' desire for Employment Security.

13.1 MOVING PEOPLE TO THE WORK

Deployment decisions may be delegated to the Team. Work assignments within the Team are the responsibility of the Team to determine with the assistance of the Team Manager and/or the shift coordinator. These work assignments will be made considering these criteria:

- * the need to produce a high quality product in a safe and efficient manner to best

meet the customer's needs

- * the need to cross-train within the Team to maximize flexibility and improve the Team's overall capability
- * fairness to individual Team Members

13.2 TEAM MEMBERS WORK TO THEIR CAPABILITIES

In order to fully and effectively implement the principles of working in Teams and of this Agreement, Team Members are to utilize all their skills and to continue to further develop their skills so that the Team continuously improves.

Employees within the Team will work up to their capability to perform a task in a safe and quality fashion. If a Team Member cannot perform a task in this manner and there is no one within the Team able or available to assist him, requesting help from another Team makes that assistance part of that Team's work assignment.

Team Members will be trained to enable them to safely and correctly perform work within and outside the normal assignments of their Team.

Employees are responsible to share their skills with other employees within their Team and with employees in other Teams that they support.

13.3 TEMPORARY ASSIGNMENTS

A. Typical circumstances which drive temporary assignments:

1. Teams require additional manpower:

Teams are responsible to align manpower and customer requirements. Short term demand fluctuations may require temporary adjustments to

headcount. Teams may temporarily assign a Team member to another Team up to five (5) working days. After five (5) working days the Team member must be returned to his Team. If there is still a need to reassign Team members from the Team and the Team cannot reach an agreement, the least senior qualified Team member will be the member moved.

B. Excess/additional headcount for extended periods of time will be dealt with using the following process:

1. Teams are responsible to align manpower and customer requirements. Short term demand shifts, unplanned machine downtime, part shortages, etc., may reduce manpower requirements. It is the responsibility of the Team to determine employees considered to be excess, giving consideration to:

being able to cover assignments in a safe and correct manner

the need for the Team to continue to produce high quality products (or provide services) in a cost effective manner

fairness to individual Team members

if it is necessary to declare a Team member excess and the Team cannot reach agreement on who must leave, volunteers will be requested and if there are no volunteers the least senior employee(s) will be removed

from the Team.

2. If the Team is unable to reach agreement on manpower requirements the Team Manager and/or Shift Coordinator will make decisions to ensure Team performance is maintained and customer demand is achieved.
3. Manpower will be balanced in a Team Manager's area of responsibility by the Team Leaders.
4. If manpower is not successfully balanced at the Team Manager's level, the appropriate Team Managers will attempt to balance manpower within the respective business (or functional area).
5. If manpower is not successfully balanced at the business level (or functional area) by the Team Managers, Business Managers will attempt to balance manpower across all businesses/functional areas on affected shifts within the affected plant.
6. If manpower is not successfully balanced on affected shifts within an affected plant, the plant manager(s) will request volunteers from active full time employees to move to the shift and/or the geographical area with needs.

If it is determined manpower requirements cannot be satisfied within a plant, employees will be added per Article 12.6 through the recall process or through the company hiring process.

Employees added to a plant through these procedures will be temporarily assigned.

If it is determined excess manpower exists within a plant, plant reductions may be declared. If it is necessary to reduce headcount, provisions of Article 12.4 and 12.5 will be followed.

13.4 TEMPORARY PAY ADJUSTMENTS

No reduction in pay will be made when an employee is assigned to a Team in a lower shop rate.

An employee temporarily assigned to a higher shop rate Team will be paid the higher rate for the full shift.

13.5 PROCESS CHANGES

While it is the Company's right to redesign work, under the principles of working in Teams the Company will give consideration to the input from Teams affected by a process change. When it becomes necessary to realign manpower as a result of moving and/or reassigning equipment, the Team leaders of any affected Teams will determine what, if any, permanent reassignments will be made. Any permanent reassignments as a result of this process will be voluntary. Employees with geographical area seniority may not be reassigned to another geographical area.

13.6 EXCESS MANPOWER

If it is determined a Team has excess manpower and the Team is unable to reach a decision on who must leave, those employees who leave the Team may be identified through requesting volunteers or by drafting the least senior employee(s). A regular full-time employee who has been declared excess from his Team or an employee who does not have an assigned Team per Article

12.3.1.A,B,C or D may be temporarily assigned to another Team or Teams. This temporary assignment cannot exceed three (3) consecutive months. An employee will be given a permanent assignment at the end of three (3) months.

When an employee is declared excess from his Team, an employee will retain rights back to his Team for a period of twelve (12) months. An employee must accept assignment back to his Team during the three (3) month temporary assignment. For the remaining nine (9) months an employee may elect to return to his Team if requested, or may elect to remain in his current assignment. If an employee elects to remain in his current assignment or twelve (12) months expire, the current Team will become the employee's permanent Team.

ARTICLE 14 - EMPLOYMENT SECURITY AND RINGS OF DEFENSE

During the course of the 1990 negotiations, the Diesel Workers' Union expressed concern regarding the security of its members and the Company reaffirmed its commitment to Southern Indiana and its employees. Both parties to that agreement shared these mutual objectives:

- Develop a quality partnership that results in increased market penetration.
- Better address our people's concerns about employment security by enabling all employees to work together both to achieve continuous improvement and to bring work to Southern Indiana.
- Provide better financial security for future retirees while preserving the financial health of the Company.

Create an economic structure and work system that makes Southern Indiana an attractive place for future Cummins investment that results in new employment opportunities.

In order to meet the mutual objectives stated above, the Company and the Union agreed to an Employment Stabilization strategy for Southern Indiana. This strategy included significant changes which allowed the Company and the Union to pursue employment opportunities and stabilize employment levels in downturns.

In the 1993 negotiations, the Union and the Company have agreed to further steps to meet the mutual objectives identified above. First, and foremost, the Union and Company agree that to make Cummins' plants in Southern Indiana an attractive location for investment in new products, we must work jointly to install a Team based work system which supports major improvements in quality, delivery and productivity. To allow all employees the opportunity to contribute their ideas to better serve our customers and meet or exceed improvement goals of 15% each year above current levels, the Company has agreed to an unprecedented employment guarantee for all currently active employees upon ratification of this Agreement.

Both parties believe that the steps set forth in 1993 will allow us to better serve our customers, provide job opportunities and enhance the security of our workforce.

14.1 EMPLOYMENT SECURITY

All active employees upon ratification of this contract, will not be permanently laid off (except for catastrophic circumstances). "Catastrophic circumstances" refers to acts of God or unforeseen situations beyond the Company's control

(e.g., tornado, flood, fire, explosion, earthquake, etc.) which preclude continuous operations for a period of time. This employment guarantee is defined as a guarantee of hours available to be worked for each covered employee per contract year (which begins April 25th, with third shift, and ends April 24th of each subsequent year) during the life of this agreement. The guarantee is 2,080 hours (for first shift employees) or 1,950 hours (for second and third shift employees) minus:

- vacation and holiday hours available to each employee for each calendar year,
- any business related shutdown days taken per Article 14.2.D.2,
- any hours lost due to "catastrophic circumstances" as defined above,
- any hours available to be worked but not worked (e.g. contractual leaves of absence, voluntary leaves, excused and unexcused personal absences, etc.)

The resulting hours will be the guaranteed hours of available work. If the employee has not been given the opportunity to work the guaranteed hours the hours will be made up or paid to such employee by contract year's end.

Overtime hours worked or offered will not count towards the guarantee unless the hours are to make up time lost due to Article 18. If the hours are for make-up purposes the employee will be notified in advance.

The provisions of Article 18 may not be used to reduce the hours of available work guaranteed to each covered employee. If it is determined the use of Article 18 did reduce the available hours of an employee, such hours will be made up or paid to such employee by years end.

14.2 RINGS OF DEFENSE

The Company will utilize a Rings of Defense approach in an effort to avoid the permanent lay off of any bargaining unit employee.

A. VOLUNTARY LEAVES OF ABSENCE

In the event that unfavorable business conditions result in a reduction in the demand for our products, the Company may elect to grant voluntary leaves of absence.

1. The Company will determine the need for voluntary leaves based on business conditions. The length of the voluntary leave shall be determined by the Company.
2. The Company shall first notify the Union of the voluntary leave. Following the notification to the Union, the Company shall communicate the voluntary leave to the affected Teams.
3. Affected Team members will have five working days, from the date of notification, to submit applications for voluntary leave.
4. Seniority will continue to accumulate during a period of voluntary leave.
5. Upon return, Team members who participated in the voluntary leave of absence program will return to the Team occupied immediately prior to the leave of absence.
6. Eligibility for voluntary leaves of absence within a Team will be determined by the Team. The principles of seniority shall govern when it has been determined that

the needed qualifications to meet customer demands are equal among those employees being considered for a voluntary leave.

B. TEMPORARY EMPLOYEES

Temporary employees may be utilized to react to fluctuations in demand. A temporary employee will not be retained for more than three (3) consecutive months. The number of temporary employees, excluding employees of contracted services will not exceed 20 per cent in any geographical area. Temporary employees are not covered by this collective bargaining agreement except as noted in Article 29.

C. SWING TEAMS

Swing Teams may be created to respond quickly to customer requirements and fluctuations in business or work. Management may elect to establish swing Teams in any geographical area by shift and/or across shift or across geographical areas as needed. Across shift and/or across area swing team assignments will only be made to volunteers.

D. VACATION SHUTDOWN PERIODS AND BUSINESS RELATED SHUTDOWNS

1. VACATION SHUTDOWN PERIOD

The Company agrees to notify the Union in writing forty-five (45) days in advance of the proposed vacation shutdown period, insofar as possible. Each geographical area, as defined in Article 2, may

declare a one (1) week vacation shutdown period during the months of June, July, or August at which time the area's production schedule will be suspended. During this time only a skeleton force selected by the area shall remain on duty. Employee's entitled to two (2) or more weeks of vacation shall be allowed to take their second or more weeks of vacation at some other time during the year, subject to Article 16.3.A. There shall be no other vacation shutdown periods within each geographical area except during the months of June, July or August. The skeleton force selected to work during a vacation shutdown week shall be granted the vacation for which they are eligible during a subsequent week to be selected between the Company and the employee. Any days not scheduled by a geographic area as a vacation shutdown period during June, July and August may be scheduled as additional business shutdown days in the same manner as described in paragraph 2.

2. 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 geographical area levels. 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 shut-down from one 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 except as provided in paragraph 1 above. Affected employees may elect to schedule available vacation, floating holidays 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 he/she must take a shutdown day without pay, the absence will not be charged to the employee. Shutdown days will be scheduled 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 that geographical area on that day.

E. NEW WORK

The Company and the Union will continue to pursue new work opportunities for Southern Indiana where it makes economic sense.

Four (4) full time Union officials are presently employed in a Central Group which is working full time on new work opportunities.

The group will also work to improve manufacturing areas to enhance our ability to retain and attract work to Southern Indiana.

There will be one Quality Team formed in

each geographical area consisting of at least one bargaining unit member and one exempt employee.

F. SPECIAL ASSIGNMENTS

Team members may be requested to perform non-traditional work assignments (e.g., Field Service, working with our supply base, plant wide continuous improvement Teams, etc.) to improve business performance, allow individual growth and/or reduce the impact of a business downturn.

The Company will select Team members for these positions and employees are not obligated to accept positions. If a Team member accepts one of these positions on a temporary basis, he remains a member of his Team and returns to his original Team once the special assignment is completed.

14.3 LAYOFFS

All temporary employees will be released first and then probationary employees will be released prior to bargaining unit members under Article 12.

ARTICLE 15 - PAID HOLIDAYS

15.1 Team Members shall be paid for and may be required to work on the following holidays:

Good Friday, Decoration Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving and July 4th. Employees hired prior to April 25, 1993 will have a seven day holiday period between and including Christmas Eve and New Year's Day (including December 23, 1996, January 2,

1998, December 23, 2002 and January 2, 2004). Employees hired after April 25, 1993 will have a 5 day holiday period between and including Christmas Eve and New Year's Day (including December 23, 1996, January 2, 1998, December 23, 2002 and January 2, 2004).

Each employee hired prior to April 25, 1993 shall be entitled to a maximum of two (2) regular workdays' paid absence. Pay for such days shall be at the Team Member's regular straight time rate. Days off shall be scheduled according to Article 16.3.A.

If these floating holidays are not taken, they will be forfeited and no payment made.

Any work performed during the period between and including Christmas Eve and New Year's Day will be paid at 2 times the normal rate of pay for employees hired prior to April 25, 1993.

The above holidays are subject to the following conditions:

A. HOLIDAYS

When one of the above holidays falls within an eligible Team Members approved vacation period, and he is absent from work during this regularly scheduled work week because of such vacation, he shall be paid for such holiday in addition to vacation pay, and may have a day off without pay adjacent to such vacation period.

B. HOLIDAYS FOR EMPLOYEES AFFECTED BY LAYOFF

Employees who are otherwise eligible, who have been laid off in a reduction in force during the work week prior to, or during the work week in which the holiday falls, shall receive pay for such holiday.

C. HOLIDAYS: ADMINISTRATION AND PAY

When the above holidays fall on a Sunday (except the Christmas Eve through New Year's Day holiday period), Monday will be observed as the holiday.

- D. Team Members who have been granted a leave of absence prior to the work week in which the holiday is observed and who are on such leave of absence at the time of the holiday shall not receive pay for such holiday, except for a medical leave of absence.

15.2 The Union and the Company have agreed to the elimination of the requirement that the employee must work on the last regularly scheduled workday before the holiday and also on the first regularly scheduled workday after the holiday in order to be eligible for holiday pay. If absenteeism increases as a result of this provision, the Company may, at any time during the term of this Agreement, at its sole discretion whenever it deems advisable, insert the attendance requirement in order to maintain the production schedule by notifying the Union at least one week in advance of the holiday.

15.3 In the event the Company requires the services of an employee on any of the holidays noted in 15.1, the employee will, nevertheless, receive payment for that holiday as though he had not worked, plus double time for all actual hours worked.

15.4 Night shift employees will be paid for holidays at the same rate they would have earned if they had worked a straight-time day.

15.5 In the event that 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 anytime after shutdown or waived in order to receive payment. The holiday may be waived at the time of shutdown or at year end. For those employees who are working during shutdown the normal holiday scheduling procedures will apply.

ARTICLE 16 - VACATIONS

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16.1 VACATION SCHEDULES

Vacation with pay shall be granted to all regular full time non-probationary employees based on the following table:

<i>*Length of Service</i>	Number of Work Hours Off For Vacation	For Employees Hired Prior to April 25, 1993: Vacation Pay As % of Gross Earnings
Up to 2 Years	40	2.75%
2 Years to 5 Years	80	5.5 %
5 Years to 15 Years	120	8.25%
15 Years to 20 Years	160	11.00%
20 Years and Over	200	13.75%

*Length of service from last hiring date to December 31 of the vacation year.

16.2 VACATION PAY CALCULATION

- A. For employees hired prior to April 25, 1993 vacation pay shall be computed on the basis of gross earnings, including weekly benefits received while on a medical leave longer than nine (9) weeks, but excluding vacation payments, cost of liv-

ing, and awards or bonus, if any, actually paid to each employee during the calendar year immediately preceding the year in which the vacation is taken.

- B. For employees hired after April 25, 1993 the vacation payment will be equal to the employee's regular straight time base rate x the number of vacation hours taken.

16.3 VACATION ADMINISTRATION

A. VACATION SCHEDULING PROCEDURE

Should the vacation period established by the Company be on a staggered basis throughout all or part of a year, the Company will attempt, insofar as practical and consistent with efficient operation of the Company, to give preference as to choice of time to employees with the greatest seniority. The Union recognizes that the Company will have to limit the number of employees it can release for vacation at any one time from any Team. The Team will be responsible for coordinating and scheduling vacations for all members of a Team to insure all customers of the Team are not adversely affected and the performance is maintained. Vacations may not be waived by any employee to receive extra pay for that period, except:

1. An employee receiving less than two hundred (200) dollars gross per vacation week in vacation pay may waive his/her vacation if work for which he/she is qualified is available.

B. BANKING VACATION

1. Vacation may be banked for Team Members up to the following maximum number of hours:

	Maximum Total Hours	
	<u>1993</u>	<u>1994</u>
5-14 years	80	160
15-19 years	120	200
20 or more	240	320

2. Employees who have not taken their vacation entitlement will automatically have their hours banked up to the maximum allowed. Vacation not taken or banked will be forfeited, including vacation pay. Vacation must be taken or banked in full shift increments. Vacation may not be waived for the purpose of earning additional income.

16.4 PROCEDURE FOR FILLING TEAM REQUIREMENTS WHICH ARE SCHEDULED TO WORK DURING VACATION SHUTDOWN

When a Team's work is scheduled during a regularly scheduled vacation shutdown period, the following shall apply:

- A. If all Team Members are not required to work, the Team will determine assignments based on criteria identified in Article 16.3.A.
- B. If an area has multiple shifts and more than one Team and it is determined that all Team Members are not required to

work, the Team Leaders from each shift will work with each other to determine work assignments based on criteria identified in Article 16.3.A.

- C. If all Team Members are required, the Team may determine a means of rearranging work assignments within a Team, or schedule volunteer qualified substitute(s) outside the team to accommodate Team vacation requests. Team members will work unless accommodations as noted above can be made.
- D. If a Team requires additional people, beyond normal Team staffing, the Team may supplement requirements by scheduling volunteer qualified substitute(s) from outside the Team. The Team may accommodate Team Member vacation requests as noted in 16.4.C above if a sufficient number of volunteer qualified substitutes can be identified. Team members will work unless accommodations as noted above can be made.
- E. Supplementary manpower needs for shutdown maintenance and production will be filled from a pool of employees (established from volunteers and/or drafting by reverse seniority) following the sequence below:
 - 1. Schedule qualified employees by seniority who have previously made a commitment and were scheduled to work through vacation.
 - 2. Schedule qualified employees by seniority who, because they were paid less than \$200.00 gross per vacation

week, choose to waiver their vacation (returning from sick leave, military, etc.).

3. Schedule qualified employees by seniority who are entitled to only one (1) week vacation (new hires). These employees may also be scheduled to work both weeks of the vacation shut-down if they have chosen to waiver the balance of their vacation.
 4. Schedule qualified employees by seniority who have not previously been scheduled to work through vacation.
- F. *The Company will attempt to notify Teams of requirements to work a regularly scheduled vacation shutdown period at least four (4) weeks prior to shutdown. After scheduling, Team Members shall not be permitted to cancel prior to shutdown unless the Team agrees and has found means to cover his assignment. No Team Member will be forced to work who is scheduled less than two (2) weeks prior to their vacation shutdown.*

16.5 TERMINATED NON-PROBATIONARY EMPLOYEE

Accumulated vacation pay will be paid to all non- probationary employees upon termination of employment according to the method described in Section 2 of this Article.

16.6 LAID OFF EMPLOYEES

Employees who are laid off at the time of the regular scheduled shop vacation, and whose

length of service at the time of such shop vacation would have entitled them to vacation pay, shall receive vacation pay based on their gross earnings during the base period prior to the time of layoff, at the applicable percentage. Payment of such vacation allowances to laid off employees will be made upon request. Employees receiving vacation pay at the time of a layoff shall not be entitled to "time off" vacation later in that calendar year.

16.7 Employees who have been laid off one or more times during the year but are again on the payroll at the time of the regularly scheduled shop vacation, and whose length of service at the time of the regularly scheduled vacation period entitles them to vacation pay, shall receive vacation pay based on Article 16.2. They shall receive "time off" for vacation according to length of service from last hiring date to the eligibility date in the vacation year.

16.8 PAYMENT IN LIEU

In the event that the Team's production schedule prevents the granting of vacations, the Company, in lieu thereof, will pay each Team Member eligible for a vacation the amount of vacation pay to which the Team Member is entitled. In that event, the payment made in lieu of vacations, shall be paid at the end of the first payroll period in September.

16.9 SHIFT AT A TIME VACATION

All vacations may be taken shift-at-a-time unless employee is scheduled to work vacation shutdown.

Shift-at-a-time vacation may not be taken on a holiday including the Christmas Eve to New

Years Day Holiday period, or for a full scheduled week.

16.10 VACATION WEEK

Full week vacations shall be from Monday to Monday and shall start on no other day.

ARTICLE 17 - HOURS OF WORK AND OVERTIME

17.1

A. REGULAR WORK WEEK FOR EMPLOYEES HIRED BEFORE APRIL 25, 1993

Forty (40) hours of work on day shift, thirty-seven and one-half (37.5) hours on second shift, and on third shift, excluding lunch periods, shall comprise the normal work week.

This will normally be scheduled eight (8) hours per day (7.5 hours for 2nd and 3rd shift Team members), Monday through Friday. Variations from the normal schedule, either in hours per day and/or days per week or days of the week may be necessary or desirable. Implementation of alternate work schedules must be approved by the Team Manager who will take into account customer requirements and Team input.

The normal payroll week shall start at the beginning of third shift on Sunday and end at the beginning of third shift the following Sunday.

The workday for each employee shall

consist of twenty-four (24) consecutive hours beginning four (4) hours before his scheduled shift starting day.

B. RATES OF PAY:

Time and one half will be paid for all hours in excess of forty (40) (or thirty-seven and a half (37.5) for 2nd and 3rd shift Team members) during the normal work week. Time paid for holidays and other contractually paid absences will be eight (8) hours (or seven and one-half (7.5) for 2nd and 3rd shift Team Members) and be considered as hours worked for overtime purposes.

When a Team member works who has otherwise been compensated for forty-eight (48) hours (or 45.0 for 2nd and 3rd shift Team members), this will be paid at double time.

Second and third shift straight time rates of pay shall be calculated by multiplying their Shop Rate per Article 19, plus shift premium, plus cost of living, times eight (8) and then dividing by seven and one-half (7.5). (Example: $\$10.00/\text{hour} + .08 + .10 = \10.18 , $\$10.18 \times 8 = \$81.44 \div 7.5 = \$10.8587/\text{hour}$ straight time rate.) The night shift premium is $\$.10/\text{hour}$ in all straight time and overtime calculations.

Second and third shift Team members overtime rates shall be calculated as follows:

1. Actual hours worked in excess of 37.5 hours in any normal work week:

Shop Rate per Article 19, plus shift premium, plus Cost of Living, times 8, divided by 7.5 times 1.5.

Example: $\$10.00/\text{hour} + .08 + .10 = \10.18
 $\$10.18 \times 8 = \81.44
 $\$81.44 \div 7.5 = \10.8587
 $\$10.8587 \times 1.5 = \16.2881

2. Actual hours worked on Saturday after already being compensated for 37.5 hours:

Shop Rate per Article 19, plus shift premium, plus Cost of Living, times 8, divided by 7.5, times 1.5 and times 8, divided by 7.5

Example: $\$10.00/\text{hour} + .08 + .10 = \10.18
 $\$10.18 \times 8 = \81.44
 $\$81.44 \div 7.5 = \10.858
 $\$10.8587 \times 1.5 = \16.28
 $\$16.2881 \times 8 = \130.304
 $\$130.3048 \div 7.5 = \17.3740

3. Actual hours worked after already being compensated for 45.0 hours.

Shop Rate per Article 19, plus shift premium, plus Cost of Living, times 8, divided by 7.5, times 2.0 and times 8 divided by 7.5.

Example: $\$10.00 + .08 + .10 = \10.18
 $\$10.18 \times 8 = \81.44
 $\$81.44 \div 7.5 = \10.8587
 $\$10.8587 \times 2.0 = \21.7174
 $\$21.7174 \times 8 = \173.7392
 $\$173.7392 \div 7.5 = \23.1652

**C. REGULAR WORK WEEK FOR
EMPLOYEES HIRED AFTER
APRIL 25, 1993**

1. Forty (40) 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.
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).
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.
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.

D. SCHEDULED WORK HOURS

Scheduled hours above the normal shift during the regular work week can be scheduled in one hour increments up to four (4) hours. A minimum of four (4) hours will be scheduled on weekends and holidays.

For pay purposes, any employee arriving later or leaving earlier than his scheduled shift hours will be docked no more than the time absent in tenths of hours.

Nothing herein shall be construed as a guarantee of work, either by day or by week (except as provided in Article 14.1).

17.2 WORKING DURING SCHEDULED LUNCH BREAK

During critical periods it may become necessary for Team Members to work during their regularly scheduled lunch period. Attempts will be made to identify volunteer qualified Team members to work during the scheduled lunch period before scheduling Team members. The Team will manage these work assignments and the Team member will be given a lunch period immediately before or after his regularly scheduled lunch period.

17.3 EMERGENCY CALL-IN

Maintenance and production Team members called in with no advance notice for short repair or emergency jobs shall receive a minimum of four (4) hours at their applicable hourly rate or the number of hours worked at their applicable hourly rate.

17.4 OVERTIME SCHEDULING

Administration and scheduling of overtime is the responsibility of the Team. Approval to work overtime is the responsibility of the Team Manager and/or Shift Coordinator.

Opportunities to work overtime within the Team will be equalized within 20 hours every six months for time and one-half overtime and for ten (10) hours every six (6) months for double time (overtime worked for training purposes is not subject to equalization). Teams will consider the following criteria when administering overtime.

- . ability to cover assignments within a Team in a safe and correct manner
- . the need of the Team to continue to produce high quality products (or provide services) in a cost effective manner to better serve the customer
- . fairness to individual Team Members and other Team Members normally performing the same functions across shifts

In order to achieve the highest standards of quality and flexibility to meet market demand, people within the Team that perform the work every day will be required to work the 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 is unable to work overtime, the Team will determine a means to rearrange current work assignments within the Team and/or schedule a qualified substitute outside the Team. However, if the Team is unable to do this, the requested employee will be required to work the scheduled overtime. Teams will establish a list of qualified substitutes.

Teams are responsible to use sound business judgement in selecting qualified candidates to substitute for Team Members for overtime. Examples of good business reasons are:

- . Teams in the same business familiar with the product and/or processes
- . Teams outside the business with similar equipment
- . Qualifications of employees within a given Team

Fairness to employees

Further, the Team is responsible to develop a process to determine which employees are qualified to substitute and then, once selected, distribute overtime equitably and efficiently. Any qualified employee may submit his/her name to a Team for consideration as a substitute candidate for overtime. Employees may only have their names on five (5) qualified substitutes list. Those Teams must be within an employee's geographical area.

An example of overtime scheduling sequence:

1. Manager approves - Team schedules
2. If Team member wants off, Team may rearrange work
3. Team may decide need for additional help
4. Teams may decide to use a qualified substitute list.
5. *With the approval of the Team manager or shift coordinator, a Team may seek qualified substitutes beyond the list.*
6. Team member must work if a qualified substitute is unavailable

17.5 NEW WORK SCHEDULE

The provisions of Section 1.B of this Article with respect to time and one-half and double time shall not apply to employees working on 40 hour rotating scheduled on continuous seven (7) day operations whose occupations involve work on Saturday and/or Sunday.

Before changing any existing job to a continuous seven (7) day operation agreement must be reached between the Company and the Union.

The Company will notify the Union thirty (30) days in advance of commencement of any new continuous operations. If the Company and Union fail to agree on the hours of work for the additional continuous operation within thirty (30) days, the disagreement will be forwarded directly to the Third Step of the Problem Solving and Grievance Procedure.

17.6 CONTINUOUS SEVEN (7) DAY OPERATIONS

Employees assigned to continuous seven (7) day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of forty (40) hours in the employee's work week, except as otherwise provided below:

- A. The schedule for employees in continuous seven (7) day operations shall be established in writing prior to the beginning of the work week and shall be for not more than forty (40) hours during any scheduled week.
- B. Time and one-half shall be paid for all hours worked in excess of forty (40) hours on day shift and thirty-seven and one-half (37.5) hours on second shift and on third shift (for employees hired prior to April 25, 1993).
- C. Double time shall be paid for all hours worked in excess of forty-eight (48) hours on day shift, forty-five (45) hours on sec-

ond shift and on third shift (for employees hired prior to April 25, 1993).

- D. Time paid for a holiday to such employees assigned to a continuous seven day operation shall be deemed the equivalent of hours worked for the purpose of computing overtime hours provided such holidays, or the days on which they are celebrated, would otherwise have been scheduled work days if they had not been observed as a holiday. In the event the employee works on the holiday, no more than his actual hours worked will be credited toward the accumulation of hours worked for the purpose of computing overtime.
- E. When a Team member is involuntarily placed on a continuous seven (7) day operation and he is not the least senior employee on that shift, he may make himself available per Article 12.3. The continuous seven (7) day operation shall be filled in accordance with placement procedures.

17.7 PYRAMIDING PROHIBITED

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.

17.8 APPRENTICES OVERTIME

- A. Apprentices on the same shift, in the same geographical area and same craft will not be scheduled for overtime prior to a Journeyman on the same shift in the same geographical location and same craft.

B. Apprentices assigned to one shift may be scheduled for overtime (in accordance with Article 17.7 A.) without scheduling all Journeymen assigned to the other two shifts in the same craft and at the same geographical location.

ARTICLE 18 - REPORTING IN PAY

Any Team member who reports for work on his regularly scheduled shift shall be guaranteed four (4) hours pay in any day at his applicable rate of pay, and the Company may avail itself of such employee's services during such period.

The Team member will not get report-in pay if the reason for failure to provide work is something outside the Company's control; such as fire, flood, storm, failure of utilities, or labor disputes. This section does not include labor disputes caused by labor organizations other than the Diesel Workers' Union.

Any time not worked due to Article 18 is counted as compensated hours for the purpose of calculating pay for overtime and is not subject to equalization per Article 17.

ARTICLE 19(A) - WAGES

19.1 Rate of Pay - Regular straight time hourly rate as established in the wage schedule in Article 19 applicable to the assigned shop rate.

19.2 WAGE SCHEDULE - For employees hired before 4/25/93, the Company will pay the following rates per hour for each shop rate:

Effective 11:00 p.m. April 25, 1993:

<u>Shop Rate</u>	<u>Base Rate</u>	<u>COLA</u>	<u>April 1993</u> <u>Fold-In</u>	<u>Base Rate</u>
Shop Rate C Team Members	15.06	\$1.22		\$16.28
Shop Rate B Team Members	16.18	\$1.22		\$17.40
Shop Rate A Team Members	16.42	\$1.22		\$17.64
Skilled Trade Team Members	17.69	\$1.22		\$18.91

Jan 1996 Base Rate

Shop Rate C Team Members	(16.28 + 2%) + COLA	Fold-In		
Shop Rate B Team Members	(17.40 + 2%) + COLA	Fold-In		
Shop Rate A Team Members	(17.64 + 2%) + COLA	Fold-In		
Skilled Trade Team Members	(18.91 + 2%) + COLA	Fold-In		

April 1999 Base Rate

Shop Rate C Team Members	'96 base rate + COLA	Fold-In		
Shop Rate B Team Members	'96 base rate + COLA	Fold-In		
Shop Rate A Team Members	'96 base rate + COLA	Fold-In		
Skilled Trade Team Members	'96 base rate + COLA	Fold-In		

January 2000 Base Rate

Shop Rate C Team Members	'99 base rate + 2%			
Shop Rate B Team Members	'99 base rate + 2%			
Shop Rate A Team Members	'99 base rate + 2%			
Skilled Trade Team Members	'99 base rate + 2%			

April 2002 Base Rate

Shop Rate C Team Members	'00 base rate + COLA	Fold-In		
Shop Rate B Team Members	'00 base rate + COLA	Fold-In		
Shop Rate A Team Members	'00 base rate + COLA	Fold-In		
Skilled Trade Team Members	'00 base rate + COLA	Fold-In		

For all active DWU employees upon ratification of the agreement, a signing bonus of \$1,000 payable on June 1, 1993.

19.3 A premium of ten (.10) cents per hour shall be paid for regular second and third shift work.

19.4 WAGE SCHEDULE - For employees hired after 4/25/93, the Company will pay no less than the following rates per hour for each shop rate:

<u>Shop Rate</u>	<u>Hire Rate</u>
Probationary Team Members	
Shop Rate C Team Members	7.00
Shop Rate A/B Team Members	8.00
Skilled Trade Team members	10.00

These entry rates will be increased 3% 5/1/96 and each May thereafter for the life of this agreement.

Each employee will receive an increase of 4% of their current base rate after one each (1) year anniversary of active service in that rate.

19.5 Apprentice Pay

A. Program Status	% of Applicable Journeyman Rate
Beginning Apprentices	80%
25% Compl. of Program	85%
50% Compl. of Program	90%
75% Compl. of Program	95%
100% Compl. of Program	100%

B. Applicable journeyman rate is defined as

- 1) Per 19.2 for employees hired prior to 4/25/93
- 2) Per 19.3 for employees hired after 4/25/93

- C. In the event that a new apprentice is transferred from a job with a higher pay scale than the applicable percentage of the skilled trades wage rate, he/she shall retain the wage rate of the shop rate from which he/she transferred.

19.6 WAGE ADJUSTMENTS DUE TO EMPLOYEE MOVEMENT

All wage adjustments resulting from lateral transfers, promotions, and demotions shall become effective on the Monday following the date of such action. Any employee permanently assigned to a lower shop rate shall be reduced in wages on the Monday following the effective date of his demotion to the wage rate of the shop rate to which he is assigned.

ARTICLE 19(B) - COST OF LIVING ALLOWANCE (FOR EMPLOYEES HIRED BEFORE 4/25/93)

1. Each employee covered by this Agreement shall receive a cost of living allowance, hereinafter referred to as "the allowance" as provided in this Article.
2. The allowance shall not be added to the base rate then applicable to a given classification, but only to each employee's straight time hourly earnings as provided below in Section 3.
3. The allowance shall be added to each employee's hourly base rate for hours actually worked and overtime but shall not be added to the base rate for holiday pay, vacation pay, military pay, and jury duty.

4. The amount of the allowance shall be determined as provided below on the basis of the new series All Urban Consumer's (CPI-U), published by the Bureau of Labor Statistics, U.S. Department of Labor (1967 = 100), and referred hereinafter as the "Index".
5. Continuance of the allowance shall be contingent upon the availability of the *Index in its present form and calculated on the same basis as the Index for March, 1993.*
6. If the Bureau of Labor Statistics changes the form and/or calculation of the Index, the parties agree to request the Bureau to make available for the term of this Agreement, a monthly Index in the same form and calculated on the same basis as the Index for March 1993.
7. Adjustments in the allowance will be made effective the first Monday of the month at the following adjustment dates and in the amount of 1 for each full 0.4 increase in the Index over and above the March, 1993 Base Index Month. Adjustments in the allowance will be credited toward the difference between the Index Month and the March, 1993 base Index Month.

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EFFECTIVE DATES OF ADJUSTMENTS	INDEX MONTH	BASE INDEX MONTH
June 7, 1993	April, 1993	March, 1993
September 6, 1993	July, 1993	March, 1993
December 6, 1993	October, 1993	March, 1993
March 7, 1994	January, 1994	March, 1993

June 6, 1994	April, 1994	March, 1993
September 5, 1994	July, 1994	March, 1993
December 5, 1994	October, 1994	March, 1993
March 6, 1995	January, 1995	March, 1993
June 5, 1995	April, 1995	March, 1993
September 4, 1995	July, 1995	March, 1993
December 4, 1995	October, 1995	March, 1993
January 1, 1996	November, 1995	March, 1993
March 4, 1996	January, 1996	November, 1995
June 3, 1996	April, 1996	November, 1995
September 2, 1996	July, 1996	November, 1995
December 2, 1996	October, 1996	November, 1995
March 3, 1997	January, 1997	November, 1995
June 2, 1997	April, 1997	November, 1995
September 1, 1997	July, 1997	November, 1995
December 1, 1997	October, 1997	November, 1995
March 2, 1998	January, 1998	November, 1995
June 1, 1998	April, 1998	November, 1995
September 7, 1998	July, 1998	November, 1995
December 7, 1998	October, 1998	November, 1995
March 1, 1999	January, 1999	November, 1995
June 7, 1999	April, 1999	January, 1999
September 6, 1999	July, 1999	January, 1999
December 6, 1999	October, 1999	January, 1999
March 6, 2000	January, 2000	January, 1999
June 5, 2000	April, 2000	January, 1999
September 4, 2000	July, 2000	January, 1999
December 4, 2000	October, 2000	January, 1999
March 5, 2001	January, 2001	January, 1999
June 4, 2001	April, 2001	January, 1999
September 3, 2001	July, 2001	January, 1999
December 3, 2001	October, 2001	January, 1999
March 4, 2002	January, 2002	January, 1999
June 3, 2002	April, 2002	January, 2002
September 2, 2002	July, 2002	January, 2002
December 2, 2002	October, 2002	January, 2002
March 3, 2003	January, 2003	January, 2002
June 2, 2003	April, 2003	January, 2002
September 1, 2003	July, 2003	January, 2002
December 1, 2003	October, 2003	January, 2002
March 1, 2004	January, 2004	January, 2002

8. In the event the Bureau of Labor Statistics shall not issue the appropriate Indexes on or before the beginning of one of the pay

periods referred to in Section 7, above, any adjustment in the allowance required by such Index shall be effective at the beginning of the first pay period after receipt of such Index.

9. No adjustments, retroactive or otherwise, shall be made in the amount of the allowance due to any revision which later may be made in the published figures used in the calculation of the Index for any month on the basis of which the allowance shall have been determined.
10. The COLA hourly rate in effect on January 1, 1996 shall be added to the base hourly rates listed in Article 19.2 Wage Schedule and then reset to zero.
11. The COLA hourly rate in effect on April 26, 1999 shall be added to the base hourly rates listed in Article 19.2 Wage Schedule and then reset to zero.
12. The COLA hourly rate in effect on April 29, 2002 shall be added to the base hourly rates listed in Article 19.2 Wage Schedule and then reset to zero.

ARTICLE 19(C) - PROFIT SHARING BONUS

1. Employees are eligible for a Profit Sharing bonus following the close of each fiscal quarter.
2. Profit Sharing is based on Engine Business Profit before Interest and tax (PBIT) as a % of Engine Business Net Sales.

3. The formula for determining an employee's quarterly payout is as follows:

$(65 \text{ days} - \text{absence days}) \times 8 \text{ hrs.} \times (\text{Base rate} + \text{COL on 1st day of quarter}) \times \text{Profit Sharing \%} = \text{quarterly dollar payout}$.

4. Any absence of over 2 hours during the regular shift hours of the normal work week shall count as a day of absence. Vacation days, holidays, jury duty, per Article 22, military service per Article 14.6.B, and emergency absences per Article 21, injuries on job, Article 12.11 shall not be considered as absences in the Profit Sharing formula. All other days not worked in the quarter shall be considered as absence days.
5. For Profit Sharing payout purposes, the calendar quarters relating to the 1996-04 contract are as follows:

(effective July 1, 1996, for Third Quarter)

Year 4	Year 5	Year 6
July-Sept. 1996	April-June 1997	April-June 1998
Oct.-Dec. 1996	July-Sept. 1997	July-Sept. 1998
Jan.-March 1997	Oct.-Dec. 1997	Oct.-Dec. 1998
	Jan.-March 1998	Jan.-March 1999
Year 7	Year 8	Year 9
April-June 1999	April-June 2000	April-June 2001
Jul.-Sept. 1999	July-Sept. 2000	July-Sept. 2001
Oct.-Dec. 1999	Oct.-Dec. 2000	Oct.-Dec. 2001
Jan.-March 2000	Jan.-March 2001	Jan.-March 2002
Year 10	Year 11	
April-June 2002	April-June 2003	
Jul.-Sept. 2002	July-Sept. 2003	
Oct.-Dec. 2002	Oct.-Dec. 2003	
Jan.-March 2003	Jan.-March 2004	

6. Payout Table

CUMMINS ENGINE BUSINESS DWU PROFIT
SHARING PAYOUT FACTORS

From	To	% Pay/ Qtr. Is
0	4.419	.0
4.42	4.879	.4
4.88	5.349	.8
5.35	5.799	1.2
5.80	6.269	1.6
6.27	6.729	2.0
6.73	7.199	2.4
7.20	7.649	2.8
7.65	8.119	3.2
8.12	8.579	3.6
8.58	8.829	4.0
8.83	9.079	4.4
9.08	9.329	4.8
9.33	9.579	5.2
9.58	9.829	5.6
9.83	10.079	6.0
10.08	10.329	6.4
10.33	10.579	6.8
10.58	10.829	7.2
10.83	11.079	7.6
11.08	11.329	8.0
11.33	11.579	8.4
11.58	11.829	8.8
11.83	12.079	9.2
12.08	12.329	9.6
12.33	12.579	10.0
12.58	12.829	10.4
12.83	13.079	10.8
13.08	13.329	11.2
13.33	13.579	11.6
13.58	13.829	12.0

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From	To	% Pay/ Qtr. Is
13.8314.079	12.4	
14.08	14.329	12.8
14.33	14.579	13.2
14.58	14.829	13.6
14.83	15.079	14.0
15.08	15.329	14.4
15.33	15.579	14.8
15.58	15.829	15.2
15.83	16.079	15.6
16.08	16.329	16.0
16.33	16.579	16.4
16.58	16.829	16.8
16.83	17.079	17.2
17.08	17.329	17.6
17.33	17.579	18.0
17.58	17.829	18.4
17.83	18.079	18.8
18.08	18.329	19.2
18.33	18.579	19.6
18.58	18.829	20.0

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ARTICLE 19(D) - PERFORMANCE BONUS

Prior to January 1, 1996, the Company and Union will meet to discuss the implementation of a Plant Variable Compensation Plan which could replace the Target Bonus Profit Sharing Plan.

ARTICLE 20 - TEAM CLASSIFICATION

20.1 The rate for all new Teams will be negotiated by Union and Management.

20.2 If agreement cannot be reached the rate for the new Team will become Shop Rate B, subject to the Problem Solving and Grievance Procedure.

20.3 Team assignments will be documented. Any employee and/or Union official may examine a Team assignment description. Teams are responsible for maintaining all Team descriptions. These descriptions are subject to other provisions of this agreement.

20.4 Existing Teams which undergo a substantial change shall not be reduced in classification without Union and Management first negotiating the shop rate. If no agreement, the Team shall remain highest shop rate.

20.5 Existing work (under the provisions of 12.3.2.E.) will not be added to qualified Teams without the agreement of the Union. If the Company and Union cannot reach agreement on the movement of existing work into a qualified Team, the work will not be moved unless the Company agrees to use the provisions of 12.3.2.E. excluding employees hired after April 25, 1993. The provisions of Article 12.3.2.F. apply to employees hired after April 25, 1993.

20.6 On 1/1/96 all current Swing Specialist Leaders will become Team Leaders in the areas they are assigned. Rates of pay shall remain 51 cents/hr. more than the highest shop rate in their Team. (The provisions of the Swing Specialist Leader Letter of Agreement will apply to Team Leaders effective 1/1/96.)

ARTICLE 21 - EMERGENCY ABSENCES

21.1 Emergency absences shall be considered as absences from work because of the death of members of the employee's immediate family (spouse, children, step-children, mother, father, brother, sister, father-in-law, mother-in-law, grandchildren, son-in-law, and daughter-in-law). Such absence must be during a Team member's

regularly scheduled work week and the Team member is not absent for any other reason. During such absences, the Team member shall be compensated for such time as 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 Team member's basic straight time hourly rate.

21.2 One day emergency absence pay will be granted to a Team member to attend the funeral of his stepmother, step-father, 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 Team member is not absent for any other reason.

21.3 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 may be rescheduled and will be paid in accordance with Section 21.1 and 21.2 above.

ARTICLE 22 - JURY DUTY AND PANEL DUTY

22.1 Team members who are required to serve on a jury, or are required to report to court in person in response to a jury duty summons, or are required to report for jury examination or to qualify for jury duty shall be reimbursed by the Company at their basic rate for a regularly scheduled work day less the jury fees received by them up to a maximum of forty (40) hours per week.

Hours allowed for jury duty and qualifications for jury duty shall be considered as hours worked for the computation of overtime and vacation pay.

In the event such jury service occurs during a Team member's vacation, the employee will reschedule his vacation at a later date.

ARTICLE 23 - DISTRIBUTION OF LITERATURE AND BULLETIN BOARDS

23.1 The Company agrees to erect at locations mutually agreeable by both parties bulletin boards, not to exceed one hundred (100), to be used solely by the Union for posting notices that concern Union business.

23.2 Members of the public are prohibited from distributing any written materials to employees on plant premises at any time. Employees are prohibited from distributing any written materials for any purpose in any part of the plants during working time. During non-working time distribution of written materials is allowed only in non-work areas.

ARTICLE 24 - OPERATING FLEXIBILITY

24.1 There is no ownership of work functions. Work within the unit may be assigned at any time to any bargaining unit employee without regard to that employee's classification. Moreover, there are no jurisdictional boundaries between exempt employees and bargaining unit employees. It is understood that exempt employees may perform tasks that are also performed by bargaining unit employees. 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 replacements for bargaining unit employees on overtime or as replacements for laid off bargaining unit employees. The intent of this Article is not to have exempt personnel fill in for breaks, absences or vacations or

to perform production work on a regular and routine basis.

24.2 Company employees who are members of the Office Committee Union will not be assigned jobs currently and normally performed by members of the Diesel Workers' Union.

ARTICLE 25 - GENERAL

25.1 MEDICAL CODING

It is the Company's responsibility to assure that employees are medically coded based upon accurate physical examinations and that such assessments are reviewed and updated as is appropriate for each affected employee.

In the event an employee is dissatisfied with his code, but no more often than once every year, arrangements will be made by the Company Medical Director for a review of the employee's code by a licensed medical doctor practicing in the specialty involved in the area concerned with the employee's code. The selection of the medical expert will be agreed to by the employee and paid for by the Company.

25.2 RETIREMENT

The Cummins Retirement Plans of April 25, 1993 as negotiated with the Union are explained in booklets (and made a part of the Contract).

25.3 GROUP INSURANCE

The Group Insurance Plans of April 25, 1993 as negotiated with the Union are explained in booklets (and made a part of this Contract).

The Union agrees to work jointly with

Management to identify changes that would reduce the cost of providing health care while not reducing the negotiated level of benefits.

25.4 BENEFITS/INABILITY TO PERFORM AVAILABLE WORK

Effective April 25, 1993 each employee covered by this contract shall be entitled to payment for time lost due to his inability to perform available work resulting from his personal sickness, in accordance with the Weekly Benefit Plans, explained in the appropriate booklet.

25.5 MASCULINE TERMS

The masculine terms (e.g., he, him, his) which are used for convenience in this Agreement shall be construed to also mean the appropriate feminine terms.

25.6 TRIAL PROGRAMS

To provide for the possible improvements of the overall operations and secure jobs, the Company and the Bargaining Committee, with mutual agreement, may enter into trial programs. Either party can terminate the program with 30 days notice.

25.7 PERFORMANCE MANAGEMENT

In order to promote individual growth and development, and continuous improvement in Team performance, a Performance Management process for all Teams will be implemented. The process will include Performance and Development Plans for each Team and Team member which will be reviewed annually. Performance plans are intended to provide constructive feedback and therefore improve Team

performance. Feedback will not be used for seniority based selections. The performance management process will be managed by Teams, consistent with published criteria. If a disagreement exists within a Team relative to the performance management process, every effort will be made to resolve the issue by the Team. An established review panel will be used to resolve performance issues in lieu of the process outlined in Article 8.

25.8 LEAVE OF ABSENCE

Medical leaves, personal leaves and military leaves as negotiated with the Union are explained in a policy and made a part of this Agreement.

25.9 TOOLS

A Stolen Tool Box Settlement Policy and Tool Purchase Policy are explained in a policy and made a part of this Agreement.

25.10 REPORTING IN REQUIREMENTS

- A. Employees are required to provide notification of absences —
 - .. by notifying their Team Manager prior to the day of a known absence, or
 - .. within 30 minutes of an unexpected absence (by calling a designated number provided by the Company), unless extenuating circumstances prohibit notification.

- B. An employee who has not reported after the completion of the fifth (5th) consecutive regular scheduled working day will be

discharged, unless the employee could not report because of circumstances beyond his control.

- C. The President of the Union shall be sent, by certified mail, a copy of discharge within one (1) working day after such action is taken.

Article 26 - CONTRACTING OUT

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 27 - EMPLOYEE DIRECTLY AFFECTED BY THE MOVEMENT OF WORK TO OTHER COMPANY FACILITIES

27.1 It is not the intent of the Company to move to other Company facilities, not represented by the Diesel Workers' Union, work currently performed by employees covered by this Agreement for the purpose of causing the separation of those employees.

Should the Company exercise its right to move to other Company facilities, work currently performed by employees, covered by this Agreement and directly results in these employees being separated, the same assistance provided in Article 27.2 will also be provided to such separated employees.

27.2 It is not the intent of the Company to subcontract for the purpose of causing the separa-

tion of employees presently in the Diesel Workers' Union bargaining unit. If in the future, however, the Company's exercise of its right to subcontract work previously performed by bargaining unit employees covered by this Agreement, directly affects the employment of employees presently in the Diesel Workers' Union bargaining unit, all employees so affected will be given assistance, including training, as deemed appropriate by the Company. Such assistance will be tailored to help the affected employees find employment in the Columbus area. The expense of this training shall be furnished without cost to the employee.

ARTICLE 28 - SAFETY

28.1 ON THE JOB INJURIES

- A. Any employee who is going to or coming from work and who is seriously injured within the premises of the Company will be taken immediately to the Company's nurse and/or doctors. If there is no doctor or medical attendant on duty qualified to treat the injury, the injured employee will be taken to the emergency room of a hospital.

- B. Should an injured employee not be permitted to return to work, the employee must be paid his applicable hourly rate for the remainder of his shift the day the injury occurred. Should the injured employee require confinement in a hospital as a result of an injury (occurring within the confines of the Company) his weekly benefits will start in accordance with the regulations of the applicable insurance provisions of our contract.

- C. Should an injured employee be permitted to return to work and fail to do so, he shall not be paid for time he declined to work.
- D. Employees receiving minor injuries will notify supervision before leaving their department to visit the medical stations. Upon return to the work area, the employee should reaffirm the injury to his supervisor. The reason for this is to establish that the injury was obtained while the employee was within the Company confines.
- E. It is agreed that when any injured employee needs transportation to a medical facility it is the obligation of the Company to provide such transportation.

28.2 WORKING ALONE

The Company will not schedule employees to work alone where the type of job jeopardizes the personal safety of the employee.

28.3 NEW HIRE ORIENTATION

All newly hired employees will be given a thorough orientation by the Company of the Safety and Health program during orientation. When changed circumstances so require, employees will be similarly instructed on all job procedures affecting their safety and health.

28.4 SAFETY SUPPLIES

The Company will furnish emergency safety supplies at all locations.

28.5 SAFETY SHOE ALLOWANCE

The Company and Union recognize that safety is of mutual interest to both parties and have agreed to a safety shoe allowance to ensure that all employees wear appropriate safety shoes.

The shoe allowance toward the purchase price of the shoes will be \$60.00 per year per employee.

ARTICLE 29 - TEMPORARY EMPLOYEES

The Diesel Workers' Union Representation of all temporary employees will be limited to the negotiations of rates of pay and the following items:

1. The total number of temporary employees will not exceed 20% of the regular full time employees as described in Article 14.
2. Rates of pay for temporary employees will be no less than \$7.00 per hour. This hourly rate will be increased five (5) percent on May 1, 1996, May 1, 1999 and May 1, 2002.
3. The Problem Solving and Grievance procedure per Article 8 - 9 for temporary employees will apply to the provisions of Article 29.
4. The Company shall insure the Union is notified of any temporary employees being retained. All temporary employees shall be subject to:
 - . It shall be a condition of employment that all temporary employees covered by this Agreement who are members in good standing shall remain mem-

bers in good standing and those who are not members on the effective date of this Agreement shall, on the 31st day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after this effective date shall, on the 31st day following the beginning of such employment, become and remain members in good standing in the Union.

- . In consideration of the Company's entering into this Collective Agreement, which Agreement includes in this article a Union shop provision, the Union hereby agrees to indemnify the Company and hold it harmless from any and all claims, liabilities and costs to the Company which arise out of entering into or the enforcement of this article.
- . The Company agrees to provide a one-half hour period for an appropriate Union officer to orient and process into the Union all temporary employees as defined in Article 2.1 on the date they are hired.
- . Commencing the pay period following presentation by the Union to the Company of a written authorization signed by the temporary employee represented by the Union, the Company will deduct from each temporary employee's pay the amount of union dues and initiation fees designated by the written authorization.

- . When a temporary employee covered by this Agreement becomes delinquent by more than nine (9) weeks in payment of the Union dues or initiation fees, the Union shall notify the temporary employee in writing, either by hand delivering the letter to the temporary employee or sending a registered letter, return receipt requested, that said temporary employee is delinquent in the payment of any Union dues and initiation fees as specified herein and accordingly will be subject to discharge. A copy of the notice will be sent to the temporary employee, Personnel Department and temporary agency.
 - . The Company shall furnish the Union a record of every temporary employee's dues deduction.
 - . Where there are deductions made for dues and initiation fees from a temporary employee that the temporary employee does not owe, it shall be the responsibility of the temporary employee to obtain the appropriate refund from the Union.
5. Temporary employees will not be permitted to work in a geographical area if the Company elects to use a business related shutdown day in that geographical area.
 6. Temporary employees will be released from work prior to any regular full time employee being permanently laid off.
 7. Teams will determine the overtime assignments for their temporary employ-

ees. Prior to any temporary employee working overtime within a Team, all regular full time employees within that Team and that Team's qualified substitute list will be given an opportunity to work.

ARTICLE 30 - DURATION

30.1 This Agreement shall become effective on the 25th day of April, 1993 and continue in full force and effect for eleven years through the end of the scheduled second shift, April 25, 2004 and from year to year thereafter unless written notice is given by one party to the other of an intention to terminate, modify, or amend this Agreement sixty (60) calendar days prior to the expiration date, or subsequent anniversary date thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and the year first above written.

CUMMINS ENGINE COMPANY, INC.

G. W. Bode	J. D. Kelly
P. D. Brown	J. B. Lyons
W. M. Cantrell	C. C. Post
R. E. Holliday	M. R. Tennell

DIESEL WORKERS' UNION

R. Baker	C. R. McIntosh
C. S. Bowling	L. J. Neihart
A. D. Capes	A. R. Thompson
A. G. Hughes	R. A. Williams
S. Manns	

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

Cummins Engine Company, Inc.

Gary Bode

G.W. Bode

P.D. Brown

P.D. Brown

W.M. Cantrell

W.M. Cantrell

R.E. Holliday

R.E. Holliday

J.V. Kelly

J.V. Kelly

J.B. Lyons

J.B. Lyons

C.C. Post

C.C. Post

Marion R. Tennell

M.R. Tennell

Diegel workers' Union

Rudy L. Baker

R. Baker

Conrad S. Bowling

Conrad S. Bowling

Albert D. Capes

A.D. Capes

A.G. Hughes

A.G. Hughes

S. Manns

S. Manns

Curt Mcintosh

C.R. McIntosh

Larry Peilant

L.J. Peilant

Allan R. Thompson

A.R. Thompson

Roger Williams

R. Williams

SKILLED TRADES SUPPLEMENT

SECTION A - GENERAL

1. ALL LANGUAGE HEREIN APPLIES TO SKILLED TRADES.
2. "Skilled Trades" as used in this Agreement, shall be those occupations recognized by Management and Union as apprenticeable

trades. The following occupations are recognized by Management and Union as apprenticeable trades: Electricians, Machine Repair, Toolmakers, Heating, Ventilation and Air Conditioning and Machine Builders.

3. The Company may institute additional apprenticeable trades, registered with the Bureau of Apprenticeship and Training, U.S. Department of Labor as needed. The Company and Union must negotiate the terms of any additional skilled trades that the Company institutes during the life of this Agreement. Any additions will have to be recognized by the U.S. Department of Labor.

4. DEFINITION OF JOURNEYMAN:

The term "Journeyman" when used in this Agreement means an employee working in an apprenticeable trade who:

- a. has satisfactorily completed the apprenticeship requirements as outlined in this Agreement and will be assigned as a Journeyman on the day following completion of these requirements.
 - b. or one who carries such Journeyman status under the terms of previous Diesel Workers' Union agreements.
 - c. one, newly hired, who has successfully completed a registered apprentice program as approved by the United States Department of Labor.
5. A. The Company must maintain only one description, Company-wide, for each trade to maintain consistency. However, for

employees hired in after April 25, 1993, skilled trade Team descriptions will be maintained in each geographical area.

- B. Inconsistencies coming up during the life of the Agreement will be submitted directly to the third step of the grievance procedure. The resolution of the grievance will be written as a letter of understanding and will be sent to all plants.
6. In line with the Company's desire to provide needed training to its' employees, opportunities to receive training or further develop skills by working with factory representatives or engineers should be taken advantage of when it is determined the training is essential for development of future support capabilities.
7. The Company will pay all the appropriate rates of pay for any Union appointed employees who are advisors to the Bargaining Committee during contract negotiations for skilled trades.
8. The Company will not schedule an employee of a recognized craft to work alone where the type of job jeopardizes the personal safety of the employee.
- 9.
- A. Training across shifts shall be paid as if he worked his own shift.
- B. Out-of-town training shall be paid as if he was on the job in the shop including overtime for the time he is actually engaged in travel, training or working.
- C. Employees will be compensated the appropriate rate of pay up to a maximum of

twelve (12) hours pay per day for international travel.

10. The grievance procedure for skilled trades shall be that outlined in Article 8 of the Labor Agreement.

SECTION B - PLACEMENT PROCEDURES

1. EMPLOYEES HIRED AFTER APRIL 25, 1993

Employees hired after April 25, 1993 who reach Journeyman status in any of the recognized trades are limited to bidding on vacancies at locations within the original geographical area which they were hired.

2. MOVING AN EXISTING JOB FROM ONE PLANT LOCATION TO ANOTHER PLANT LOCATION

When it is necessary to relocate an employee in one of the apprenticeable trades classifications enumerated below, from one point location to another (within the jurisdiction defined in Article 2 of the Labor Agreement), the following procedure shall be followed in transferring an employee to that job:

- a. To determine which employee shall be selected for the relocated job, the interchangeable group of journeymen from which the job is being relocated shall be polled requesting volunteers for the relocated job. The most senior employee in the interchangeable group who volunteers shall be selected for the relocated job.
- b. If there are not enough volunteers for the relocated job(s) and the relocation is with-

in one location the least senior employ-
ee(s) in the classification, in the location,
on the shift from which the job is being
relocated will be drafted, until the required
number is achieved.

- c. If there are not enough volunteers for the
relocated job(s) and the relocation is from
one location to another, the procedures
defined in Section 3. below shall be used.

3. FILLING AN OPEN JOB WHEN THERE IS NO GRADUATING APPRENTICE

The open Team vacancy will be posted at each
location where employees in the particular
apprenticeable trade are assigned. The initial
posting will list the shift and location of the
Team declaring the excess.

Any employee assigned to that classification or
holds a 2nd journeyman card for that classi-
fication, at any location, on any shift, may
request a transfer to the open job except
employees on the same shift and at the same
location as the open Team vacancy unless
such employee has reinstatement rights some-
where else.

Team vacancies will be filled using procedures
outlined in Article 12.3.2. E. and F., whichever
is applicable.

This procedure shall apply in filling all subse-
quent Team vacancies which result from filling
the original Team vacancy, until the available
employee is a successful bidder or, available
employee whose job was discontinued shall be
transferred to the open Team vacancy if the
available employee is on the same shift as the
open Team vacancy.

If the employee declared excess is on a different shift than the open Team vacancy, the employee declared excess shall exercise his seniority on his shift and the least senior employee in that classification on the same shift as the employee declared excess shall be transferred to the open Team vacancy.

If it is necessary to bump an employee across shifts and the open Team vacancy created by the employee being bumped is at a location different from the one originally designated as being declared excess, there shall then be a posting on the shift to fill the open Team vacancy. This procedure shall continue on the shift in filling subsequent Team vacancies until there are no eligible applicants at which time the least senior employee in that classification on the shift at the location where the job is declared excess shall be transferred to the open Team vacancy.

In cases where the Company cannot fill a Team vacancy in the skilled trades through the procedures outlined in these Articles above, the Company will fill the Team vacancy in the following manner and sequence:

1. A Company-wide posting for a qualified Journeyman in the DWU bargaining unit that is not currently in the trades.
 2. Placement of a qualified Journeyman from the exempt ranks or hire a qualified Journeyman from outside the Company. No graduating apprentice in the same trade will be held out of the Journeyman status because of any such hire.
4. FILLING ADDITIONAL JOBS WHEN THERE IS A GRADUATING APPRENTICE, OR WHEN

A QUALIFIED JOURNEYMAN IS HIRED

Any additional Team vacancy in the classification above must be filled in the following manner:

- a. The additional Team vacancy must be posted at each location where employees in the particular apprenticeable trade are assigned.
- b. Any employee assigned to that classification or holds a second journeyman card for that classification, at any location, on any shift, may request a transfer to the additional Team vacancy (except, of course, employees on the same shift and at the same location as the open Team vacancy unless they have reinstatement rights to another Team).
- c. Team vacancies will be filled using procedures outlined in Article 12.3.2 E. and F., whichever is applicable.
- d. This procedure must apply in filling all subsequent Team vacancies which result from filling the original Team vacancy, until there are no eligible bidders, at which time a graduating apprentice or newly hired qualified Journeyman will be temporarily placed on the open Team vacancy.

5. PLACEMENT OF GRADUATING APPRENTICES

- A. An apprentice will be considered a journeyman upon completion of the apprenticeship requirements and shall be temporarily assigned as a journeyman on the day following completion of those requirements. All Team vacancies as a result from a grad-

uating apprentice will be filled per the Team placement procedure as outlined in Article 12.3.2 E. and F., whichever is applicable.

B. When any apprentice reaches 7,600 on-the-job hours or eight weeks prior to completion of classroom requirements, (whichever is later) a Team vacancy shall be posted in that trade as soon thereafter as possible. When on-the-job hours are the determining factor, the first apprentice reaching 7,600 hours will implement the placement process in that trade and additional Team vacancies will be posted for all other apprentices that have 7,440 or more hours. When classroom requirements are the determining factor, the Team vacancies will be posted for all graduating apprentices who have completed at least 7,440 hours.

6. The Company may elect to fill a Team vacancy created by leaves of absence by using Section B. 2. of this supplement and designating the opening as temporary. When the employee on leave returns to work the employee that had been selected to fill his Team vacancy shall be reinstated to his original job. The nine (9) week time limit for permanently filling the job does not apply to skilled trades. Employees on medical leave will be returned to the original Team vacancy they previously held if they return within the first twenty-four (24) months of the leave.

7. REINSTATEMENT TO ORIGINAL TEAM

1. Definition of original Team vacancy:

- . A Team vacancy bid for and assigned.
- . A Team vacancy held for a period of over two (2) years.

- A. Reinstatement to a reinstated Team vacancy shall be mandatory.
- B. Reinstatement rights shall be for twenty four (24) months.
- C. Reinstatement applies to any journeyman that:
 - 1. has been declared excess
 - 2. has been drafted to fill any Team vacancy
 - 3. is filling a temporary Team vacancy
- D. Procedure for Reinstatement:

Reinstatement shall be to vacancies in the original Team if open. If a vacancy in the original Team is not open, but original shift is, reinstatement to shift shall result in an on-shift posting, per Section B.2, with reinstated employee allowed to bid on all resulting shift openings. If unsuccessful he/she will be placed on last available Team vacancy.

8. REDUCTION OF AND REINSTATEMENT TO A SKILLED TRADE

- A. Apprentices shall be laid off by Diesel Workers' Union bargaining unit or geographical area seniority, whichever is applicable. Journeymen shall be laid off by Diesel Workers' seniority within their classification.
- B. Apprentices shall be removed from their respective trade before any journeymen in that trade is removed, except if a journeyman is laid off.
- C. If a journeyman is laid off, it will result in enough apprentices being removed from the

program to maintain the appropriate ratio at the time of layoff.

- D. Apprentices shall be cut back in the reverse order in which they are assigned to the program; for example, the last employee to receive apprentice status, in each individual trade, will be the first apprentice removed from that trade. *When more than one person attains apprentice status on the same date, bargaining unit or geographical area seniority, whichever is applicable, shall govern.* All persons selected to enter the program at the same time shall have a common starting date. This date shall be the date the first apprentice is assigned to his job.
- E. 1. If an apprentice is temporarily removed from an apprentice program, he shall have the option to be reassigned to that program when conditions permit.
2. After the temporary removal or upon reentering the program after returning from layoff, apprentices shall enter the program at the level of training completed at the time of being removed or laid off.
3. All appropriate records of apprentices shall be maintained by the Training Department.
- F. In the event of a reduction of journeymen within a skilled trade the journeyman having the *least bargaining unit seniority will be the first* to leave the appropriate trade.
- G. Team vacancies as a result of a removal of journeyman from a skilled trade will be filled by using the methods outlined in Section B. 2. of this supplement.
- H. Journeymen who have been removed from the skilled trades shall be reinstated to the

appropriate trade in the reverse order in which they were removed or laid off.

1. If a laid off journeyman has enough seniority to be recalled they will come back into their appropriate trade.

9. TEMPORARY SHIFT TRANSFERS

Journeyman will be allowed to transfer shifts in accordance with the Temporary Shift Transfer Policy below.

TEMPORARY SHIFT TRANSFERS

The Diesel Workers Union and Cummins Engine Company agree to implement a method to allow temporary shift transfers within the Skilled Trades Groups as described in the following policy and procedure.

Purpose

- . To provide for shift flexibility — the temporary, voluntary trading between shifts.

Policy

- . This shift transfer procedure is for DWU Journeymen only.
- . Shift trades will occur only within geographical areas.
- . For the purpose of overtime administration, these trades will be administered as permanent transfers.
- . Vacations shall be subject to shift scheduling.

Procedure

I.

People will be polled to establish a shift transfer roster in their location for each of the other shifts that employee is not presently assigned.

II.

The roster will be reviewed on the last day of the work week; the eligible person either accepts or rejects; when accepted, all trades are for a minimum of one (1) week and the trade is final; upon mutual agreement, trades may be extended up to twelve (12) weeks in at least one (1) week intervals. Administration and scheduling of overtime will be the responsibility of the affected Teams. The move will take place the Monday following sign-off.

III.

All trade sign-ups (including extensions) for the following week will be final at the end of the employees respective shift on Thursday of the present week.

A person signing a temporary shift change bid agreement may leave their name on the shift change roster but anyone not presently involved in a shift trade may sign up within the sign up limits and supersede the person presently involved in a trade.

IV.

After initial poll, employees can sign on

bottom of transfer roster anytime subject to restrictions II and III.

Administration

- . Team Managers and Shop Stewards will work together to administer the initial polling of employees.
- . Individuals interested in trading shifts are responsible for informing the Team Leader and Team Manager and Shop Steward. The individuals interested in trading are responsible to contact their peer on the other shift to work out their desires on length of time.
- . Teams are responsible for administrative details, such as transfer forms, that affect their Team members.
- . Rosters will be available within the Team's area at all times.

10. AVAILABLE JOB PROCEDURE

The Diesel Workers' Union and Cummins Engine Company agree to implement a method to allow skilled trades groups to make their jobs available (as defined in Available Job Procedure Policy).

SECTION C - APPLICATION OF LABOR AGREEMENT

Anything that is not expressly covered in this Skilled Trades Supplement, that is covered in the Labor Agreement shall apply to skilled trades.

SHOP
APPRENTICESHIP
STANDARDS
FOR
CUMMINS ENGINE COMPANY,
INCORPORATED
IN COOPERATION
WITH
THE DIESEL WORKERS' UNION
AND
THE
BUREAU OF APPRENTICESHIP AND
TRAINING
UNITED STATES
DEPARTMENT OF LABOR
APRIL 25, 1993 - APRIL 25, 2004

APPRENTICESHIP STANDARDS

The following standards of apprenticeship covering the employment and training of apprentices in the trades included in these standards have been agreed to by the Diesel Workers' Union and Cummins Engine Company, Inc.

PURPOSE

The purpose of these standards is to make certain that proper care is exercised in the selection of the apprentices and that the methods of training are uniform and sound, with the result that they will be equipped for profitable employment, and to further the assurance to the Company of proficient journeymen at the conclusion of the training period.

THESE STANDARDS OF APPRENTICESHIP ARE TO BE UNDER THE SUPERVISION OF A JOINT APPRENTICESHIP COMMITTEE REPRESENTING:

THE COMPANY

W.M. CANTRELL,
Vice President-
Heavy Duty/
High Horsepower Mfg.

G.W. BODE, *Director-*
Labor Relations

THE UNION

L.J. NEIHART
President - DWU

R.A. WILLIAMS,
Vice President - DWU

CONSULTANTS:

*Representing the Bureau of Apprenticeship and Training,
U.S. Department of Labor.*

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APPRENTICESHIP STANDARDS

Section 1 - PURPOSE

The purpose of the Apprenticeship Program is to train apprentices in the skilled trades through scheduled on-the-job and classroom related training assignments. The on-the-job skills are gained through the guidance of supervision and journeyman craftsmen in daily work experiences and the necessary classroom training is provided by qualified instructors. This program enables employees to establish themselves in a skilled trade and provides the Company with a dependable supply of journeymen.

Section 2 - EQUAL OPPORTUNITY PLEDGE

The recruitment, selection, employment and training of apprentices during their apprenticeship, shall be without discrimination because of race, color, religion, national origin, or sex. The sponsor will take affirmative action to provide equal opportunity in apprenticeship and will operate the Apprenticeship Program as required under Title 29 of the Code of Federal Regulations, part 30. COMPLAINT PROCEDURE - Title 29.30, CFR - Section 30.11 (a) and (b)

Any apprentice or applicant for apprenticeship who believes that he or she has been discriminated against on the basis of race, color, religion, national origin, or sex, with regard to apprenticeship or that the equal opportunity standards with respect to his or her selection have not been followed in the operation of an apprenticeship program, may personally or through an authorized representative, file a complaint with the Department of Labor. The complaint must be filed not later than 180 days from the date of the

alleged discrimination or specified failure to follow the equal opportunity standards. The complaint shall be in writing and shall be signed by the complainant. It must include the name, address, and telephone number of the person allegedly discriminated against, the program sponsor involved, and a brief description of the circumstances of the failure to apply the equal opportunity standards.

Section 3 - ELIGIBILITY

To be eligible for apprenticeship the applicant must meet the following qualifications:

1. Employees hired after April 25, 1993 must have a high school diploma or equivalent (GED).
2. Must be at least eighteen years of age.
3. Must submit a training application containing all necessary data to the Training Department.
4. Must meet the physical requirements for the trade for which they have applied.
5. Must not be a Journeyman from any trade as defined in Section A.4., Skilled Trades Supplement.
6. Must not have an active General Foreman's write-up.

Section 4 - APPLICATION PROCEDURES

1. Notice shall be posted on all Company bulletin boards and to the Department of Labor at least 30 days in advance of the earliest date of acceptance of applications,

concerning:

- The nature of apprenticeship.
 - Availability of apprenticeship opportunities.
 - Sources of apprenticeship applications.
 - The equal opportunity policy of the Company.
 - The eligibility requirements.
2. Applications shall be available for at least three (3) weeks and shall be accepted from all applicants who can meet the apprenticeship eligibility requirements in Section 3.

Section 5 - QUALIFICATION PROCEDURES

Eligible applicants will be assessed to determine their qualifications.

1. Schedules shall be set-up to assess each applicant who has not been assessed within the previous two-year period of time and each applicant who wishes to be reassessed. The most current test score will be used for selection purposes. Also, each applicant must be reassessed if a different testing procedure is used.
2. Assessments will consist of screening procedures appropriate to the individual trade such as: job trials, work samples, validated aptitude test, etc.
3. A pool of previously qualified applicants will be established. The criteria for inclusion in the pool will be those appropriately validated and job related performance mea-

tures. Lists of the qualified eligibility pool shall be posted on Company bulletin boards.

4. The applicant shall be notified of his acceptance or the reasons for his rejection, the requirements for admission, and the appeal rights available.
5. Applicants who have been placed in a pool of qualified eligibles shall be retained on the list for a period of two years. Applicants can be removed from the list at an earlier date at their own request or following their failure to respond to an apprentice job opportunity given by registered return receipt mail notice.

Section 6 - SELECTION PROCEDURES

(Selections are all made from a restricted pool.)

1. Selection from the pool (of qualified applicants) will be based upon rank order of appropriately validated job related criteria. Each applicant shall be notified in writing of his acceptance or the reasons for his rejection and the appeal rights available.
2. An interview will be held with the qualified applicant to ascertain his understanding of Apprentice Program requirements.
3. A DWU Journeyman member of the JAC will be present at all orientations, job trials, and all interviews.
4. Records of the selection process and selection criteria, including the interview, will be kept for a five-year period.

TERMS OF APPRENTICESHIP

Section 7 - THE APPRENTICESHIP PROGRAM SHALL BE ESTABLISHED IN ACCORDANCE WITH THE FOLLOWING:

1. The Apprenticeship Program, including length and content of on-the-job training, shall generally comply with the recommendations of the U.S. Department of Labor, Bureau of Apprenticeship and Training.
2. The basic length of the program shall be eight thousand hours of on-the-job training and eight semesters or equivalent, 768 hours minimum, of related classroom instruction.

Section 8 - HOURS OF WORK

1. Apprentices shall be governed by the appropriate contract or Labor Agreement provisions concerning working hours and overtime except when classroom conflicts develop. This situation shall be resolved by supervision with the Joint Apprenticeship Committee.
2. Time spent in required classroom training will be paid at the straight time rate and shall not be counted in computing hours worked for overtime purposes. Employees will be required to work each normal work day (Monday thru Friday) the full number of hours according to the shift to which they are assigned.

Section 9 - RATIOS

1. The ratio of apprentices to journeymen

shall comply with the recommendations of the Bureau of Apprenticeship and Training, U.S. Department of Labor and there shall be no more apprentices in any department, on any shift than there are qualified journeymen in that department and on that shift, except when a journeyman vacancy occurs, and there is an apprentice graduating within one year.

Section 10 - DISCIPLINE

- 1. An apprentice may be removed from the program for just cause such as, but not limited to, inability to learn, unsatisfactory work, lack of interest, absenteeism, poor general attitude, and failure to meet classroom standards. Classroom related training and on-the-job training requirements and standards shall be in accordance with those accepted by the Joint Apprenticeship Committee.**
- 2. A weekly attendance report shall be submitted to the Training Department by each class instructor. This report shall include all absences on each apprentice. It shall be the policy of the Training Department to issue a warning subsequent to the first unexcused classroom absence recorded each semester by apprentices. If a second unexcused absence occurs during the semester the apprentice shall receive a review and counseling by the Joint Apprenticeship Committee for the purpose of determining whether he shall be removed from the program. Should a third unexcused absence be recorded, the apprentice shall be removed from the Apprenticeship Program.**

3. During a disciplinary layoff, apprentices shall continue to attend classroom training and shall be paid for time so spent.

Section 11 - WITHDRAWAL OR REMOVAL

1. Persons participating in any Apprenticeship Training Program may not apply for any open job while in the program.
2. An apprentice wishing to withdraw from the program must notify in writing his Team Leader or Team Manager and the Chairman of the Joint Apprenticeship Committee of his intent to withdraw.
3. In the event that a participant is withdrawn from the training program, whether voluntarily or involuntarily, the following policy shall be followed:
 - A. Every attempt will be made to place the individual on the shift and on a Shop Rate equal to that held before entering the Apprenticeship Program. (But no higher than a Shop Rate "A").
 - B. In the event that a Team opening is not available within the classification on his shift for which the transferring employee is eligible and/or qualified, he will be placed in the next lower classification in which a Team opening exists for which the employee is qualified. In the event of a plant layoff, the provisions of this Labor Agreement will apply.
 - C. No apprentice shall be removed before he has had an opportunity for adequate counsel by the Joint Apprenticeship Committee.

Section 12 - APPRENTICE WAGES

Apprentices and new hire apprentices shall be paid a percentage of skilled trades wage rate. Wage rate increases shall be made at the completion of each 1,000 hour training period. In the event that a new apprentice is transferred from a Team with a higher pay scale than the applicable percentage of skilled trades wage rate he shall retain the wage scale of the shop rate from which he transferred - including the annual wage increase for that shop rate - until such time as he is due an increase under the regular periodic progression.

Upon completion of the Apprenticeship Program, apprentices shall receive the wage rate of skilled trades.

The apprentice wage rate by period in relation to the skilled trades wage rate is as follows:

DURING PERIOD	PERCENT OF SKILLED TRADES WAGE RATE
1	83%
2	85%
3	87%
4	89%
5	91%
6	93%
7	95%
8	97%

Section 13 - REPORTING PROCEDURE

Each apprentice will be required to submit a weekly report to the Training Department. This report will account for the hours worked at each specific task to which the apprentice was assigned during the week. These reports shall be

condensed and retained in the Training Department files as part of the permanent record of each apprentice, as required by the Registration Agency.

Section 14 - ON-THE-JOB TRAINING

1. Each Apprenticeship Program shall be broken down into approximate hourly requirements for the basic skills required to become a successful journeyman. This training shall be administered for a period of 8,000 hours. At least the first half of the training must be performed under the guidance of a journeyman.
2. The Joint Apprenticeship Committee will be responsible for the monitoring of on-the-job training.
3. An apprentice must have the necessary tools to perform his job. They may be purchased through the payroll deduction plan.
4. The following list contains the approximate on-the-job hourly requirements for each shop Apprenticeship Program:

TOOLMAKER

YEARS 1 AND 2	HOURS
Tool Crib and Tool Inspection	200
Drills	200
Engine Lathe	800
Mills	800
Internal Grinders	400
Jig Grinders	300
Other Grinders	400
Boring Machine and Jig Bore	300

Heat Treat	100
Planers	100
Shapers	150
Miscellaneous Machines	250

YEARS 3 AND 4HOURS

Miscellaneous Machines,
Troubleshooting, Bench Work
and Individual Assignments4000

TOTAL8000

ELECTRICIAN

HOURS

Electrical Crib200

Ordering, disbursing tools,
electrical supplies and equipment

Record maintenance

Minor electrical repairs

Construction and Installation1800

Blueprints-layout, material
selection, planning

Hookup, generator, transformers
and motors

High voltage equipment, control
panels

Machine tools

Piping and conduit, lighting,
and power circuit

Meter and instrument use and
repair

General Maintenance (Building)2000

Testing, locating and repairing

Panels, control and repairing

Busses, switchboard, transformers
install and repair

PA system, time clock repair

Circuit maintenance

General Maintenance (machine)	2000
Production equipment	
Induction heating, welding, and heat treating	
Electro-magnetic and electro-chemical equipment, Magnaglow, etc.	
Motor repair-AC/DC	
Armature and field windings and coils	
Relays, transformers, transistors - test and repair	
Small power tool maintenance and repair	
Electronic Equipment Controls	1500
Construction and installation	
Troubleshooting and repair	
Optional Projects	500
TOTAL	8000

MACHINE REPAIR

YEARS 1 AND 2	HOURS
Drills	830
Lathes and Screw Machines	730
Grinders	630
Mills	730
Boring Machines	200
Miscellaneous	360
Stock Room	200
Special Equipment Maintenance, Wash Tanks, Furnaces, etc.	320
TOTAL	4000

YEARS 3 AND 4	HOURS
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Continue of machine repair assignments, and being able to perform work on a more independent basis. If possible, apprentices will

be sent to various machine tool manufacturers.	4000
TOTAL	8000

**HEATING, VENTILATION AND AIR
CONDITIONING**

HOURS

Tool Crib	200
Ordering and disbursing of tools and equipment	
Record maintenance, minor repairs	
Construction and Installation	1800
Oil burners, stokers, fuel gas burners and equipment	
Piping and tubing (refrigeration equipment)	
Piping and tubing (steam, water and heating equipment)	
Pumping equipment (oil, fuel & water)	
Installation and maintenance of various controls and gauges	
Miscellaneous refrigeration equipment, water coolers, air coolers, etc.	
General Maintenance (Equipment)	2500
Testing, charging and adjusting refrigeration systems	
Instruments, controls and gauges	
Clean, service and repair boilers and furnaces	
Clean, oil and repair heaters and heating equipment	
Repair and maintenance of air conditioners and coolers	
Repair and maintenance of pumps and compressors (refrigeration and air) Treatment and chemical analysis of water	

Electronic Equipment	2000
Troubleshoot and repair panels and control systems	
Maintenance and repair of thermostats, humidistats	
Valves, relays and damper equipment	
Repair pneumatic and solenoid controls	
General Maintenance	1500
Welding, brazing and silver soldering of joints and connections	
Pipe bending and fitting	
Routine inspection and maintenance	
Maintenance, safety and house- keeping of heat and refrigeration area.	
Miscellaneous projects	

TOTAL8000

**Section 15 - RELATED CLASSROOM
TRAINING**

1. During the period of apprenticeship, each apprentice shall be required to complete a program of related and supplemental classroom instruction as set forth in the apprenticeship agreement. This classroom instruction shall be approximately six (6) classroom hours per week during scheduled term.
2. The Joint Apprenticeship Committee may approve deviations to the classroom training schedules to insure quality education for the apprentice. Any deviations must be approved in advance by the Joint Apprenticeship Committee. In the event an apprentice fails to enroll in and complete required courses, without the prior approval of the Joint Apprenticeship Committee, he may be removed from the program.

3. Books used in outside related training sponsored by the Company shall be provided by the Company.
4. The Company shall pay tuition costs as outlined by Company tuition reimbursements policy, for classroom instruction given by outside educational agencies.
5. The classroom grading system shall be A,B,C,D, and F based on 4.0 system (A to A- 4.0; B+ to B- 3.0; C+ to C- 2.0; D+ to D- 1.0; F-0). A semester/quarter average of 'C' (2.0) or above must be maintained. Failure to achieve this average in any semester/quarter will automatically place the apprentice on probation. Two (2) consecutive semesters/quarters of less than 'C' (2.0) average and the apprentice will be removed from the program.
6. In the event an apprentice fails to maintain a cumulative grade score of 1.5, he will be put on probation, counseled and/or tutored. In the event an apprentice fails to raise his cumulative grade point above 1.5 by the next semester/quarter, or falls below 1.5 cumulative in a future semester/quarter, he will be removed from the program.
7. Failing grades (F) in required courses, must be erased by successfully completing the failed course on their own within one (1) academic year. In the event a course is failed and is not offered again during his term of apprenticeship, alternate courses may be taken if approved in advance by the Joint Apprenticeship Committee. If an apprentice fails the same course twice (including a direct substitute) he will be removed from the program.

8. It shall be the individual responsibility of the apprentice to satisfactorily complete failed courses in the event they are not again offered by the Company during his term of apprenticeship.
9. The chairman of the Joint Apprenticeship Committee shall give written notification to each apprentice and their Team Leader and Team Manager when placed on probation and removed from probation.
10. A mid-term grade and a final report containing the grades received by each apprentice shall be submitted to the training department from each instructor. These final grades and all creditable classroom hours shall be recorded as part of the permanent record of each apprentice. In the event an apprentice received a grade of 'D' or below in any course, the subject shall be reviewed with the apprentice and appropriate action will be taken.
11. The following lists contain some of the formal courses for each of the DWU Apprentice Programs. Appropriate courses will be selected for each apprentice.

TOOLMAKERS

COURSE	APPROXIMATE HOURS
General Math	32
Tech Math I	32
Tech Math II	32
Tech Math III	32
Blueprint Reading I	32
Blueprint Reading II	32
Hydraulics I	32
Hydraulics II	32

Jigs and Fixtures I	.32
Jigs and Fixtures II	.32
Physics and Mechanics	.32
Strength of Materials	.32
Manufacturing Processes	.32
Tool Design	.32
Speeds, Feeds and Gearing	.32
Industrial Psychology	.32
Industrial Economics	.32
Drafting I	.32
Metallurgy	.32
Precision Instruments	.32
English	.32
Electricity I	.64

MACHINE REPAIR

COURSE	APPROXIMATE HOURS
General Math	.32
Tech Math I	.32
Tech Math II	.32
Tech Math III	.32
Blueprint Reading I	.32
Blueprint Reading II	.32
English	.32
Precision Instruments	.32
Drafting I	.32
Hydraulics I	.32
Hydraulics II	.32
Hydraulics III	.32
Speeds, Feeds and Gearing	.32
Physics and Mechanics	.32
Welding	.32
Jigs and Fixtures I	.32
Jigs and Fixtures II	.32
Strength of Materials	.32
Tool Design	.32
Industrial Psychology	.32
Electricity I	.64
Electricity II	.64

ELECTRICIANS

COURSE	APPROXIMATE HOURS
Electricity I	64
Electricity II	64
Electronics I	64
Electronics II	64
Industrial Electronics I	64
Industrial Electronics II	64
Digital Computers	64
Transistors	64
Three Phase Motors	64
General Math	32
Tech Math I	32
Tech Math II	32
Tech Math III	32
Tech Math IV	32
English	32
Physics and Mechanics	32
Blueprint Reading	32
Drafting	32
Industrial Psychology	32
Hydraulics I	32

HEATING, VENTILATION, AND AIR CONDITIONING

COURSE	APPROXIMATE HOURS
Blueprint Reading I	32
English	32
General Math	32
Tech Math I	32
Tech Math II	32
Tech Math III	32
<i>Boiler Maintenance and Operations</i>	32
Hydraulics I	32
Drafting I	32
Welding	32

Heating	32
Refrigeration I	64
Refrigeration II	64
Electricity I	64
Electricity II	64
Electronics I	64
Electronics II	64
Transistors	64
Three Phase Motors	64
Heat & Refrigeration	
Schematic Reading	32

Section 16 - CREDIT FOR PREVIOUS EXPERIENCE

An apprentice may receive credit toward the completion of the program for previous post high school course work directly related to the specific program.

1. Credit for previous course work may be granted upon request of the apprentice and/or JAC provided course has been satisfactorily completed within the previous five (5) years.
2. Credit will only be given for required and preferred courses in the apprentice's respective trade.
3. All credit is subject to approval by the JAC. Any documentation needed by the JAC is to be furnished by the apprentice.
4. A proficiency test may be required before any credit is given.
5. Credit for course work obtained during times of layoff may be granted upon request of the apprentice and/or JAC within 60 days of recall to their specific trade.

6. If credit is given, the credit will be subtracted from the 768 required hours of classroom instruction.

Section 17 - APPRENTICE PROGRESS REPORTS

1. Apprentice progress reports shall be complete for each apprentice during the entire period he is enrolled in the program. These reports shall provide detailed information concerning the on-the-job performance, personal character traits, and progress in training for each apprentice. These reports will be shown, reviewed and discussed with the apprentice.
2. The first four reports shall be at three month intervals. No report shall be submitted on any apprentice who has not completed a minimum of eight weeks training prior to the issuance of the first report. The four progress report dates shall be contingent on the selection date of the apprentice(s).
3. Future progress reports shall be given on six (6) months basis with a report being submitted during the fourth month of the apprentice(s) rotation assignment.
4. If a Team Leader or Team Manager recommends that an apprentice be removed from the program, a review will be held with the apprentice, Team Leader or Team Manager, the Joint Apprenticeship Committee, shop steward, and the Training Department in an attempt to counsel the apprentice and discuss the problems involved.

5. Reviews will be held on a monthly basis until the problems are alleviated or it is determined that the apprentice should be removed from the program. An apprentice will be given a minimum of ninety (90) days to improve his performance back to an acceptable level. At the end of the ninety (90) days, the JAC will make a recommendation to the DWU and Labor Relations as to the status of the apprentice in the program.

Section 18 - PLACEMENT

Upon completion of the program graduates shall be placed in the skilled trade for which they were trained, subject to the Skilled Trades Supplement.

Section 19 - JOINT APPRENTICESHIP COMMITTEE

The Joint Apprenticeship Committee shall be composed of equal number of management representatives, including a representative from the training department, and one (1) representative from each apprenticeable trade elected by that trade for a period of two (2) years. The Company may rotate their representatives if they desire.

The designated training department representative shall be the Chairman of the Committee. The Joint Apprenticeship Committee shall appoint a Union member of the Committee to serve as Co-Chairman. The role of the Co-Chairman will be to work with the Chairman to schedule meetings, take minutes of meetings and conduct Joint Apprenticeship Committee meetings in the absence of the Chairman.

The Joint Apprenticeship Committee shall be responsible for:

1. Planning and recommending a basic training schedule for the program to include recommendations on hours required on each type of assignment and related classroom instruction.
2. The monitoring of on-the-job training hours.
3. Recommending revisions in the program.
4. Recommending changes in the regulations governing the Apprenticeship Program.
5. Approve granting of Certificates of Completion.
6. Approve program change.
7. Bring program problems to the attention of the DWU Bargaining Committee and Company representatives, to insure the smooth operations of the apprentice programs.
8. Counsel with any apprentice who may be having difficulty with work assignments or scholastic work.
9. Review and approve apprentice rotation schedule.
10. The Chairman of the Joint Apprenticeship Committee will schedule a meeting with DWU Bargaining Committee and Employee Relations each six months to discuss apprentice program issues.

In cases where the Joint Apprenticeship Committee feels circumstances warrant deviating from the current Apprenticeship Standards or when issues arise which are not covered in the Standards, the following procedures will be followed:

- . The JAC will submit in writing:
 - . the issue
 - . any similar issues which have been dealt with and the resolution
 - . the recommendation
 - . the pros and cons of the recommendation
- . This document will be submitted to the Director of Employee Relations and to the DWU President for review.
- . After the review process is complete the status of the recommendation will be communicated to the JAC. If the recommendation is disapproved, the issue will be governed by negotiated language/agreements which are in force.

Section 20 - SUPERVISION OF APPRENTICES

An apprentice shall be under the direction of the Team Manager of his area and under the immediate direction of the Team Leader of the department to which he is assigned. Each apprentice is also responsible, indirectly, to the Joint Apprenticeship Committee.

Section 21 - APPRENTICE ROTATION

Apprentices must be twice annually rotated. The amount of hours in the program shall have no bearing on their placement. It shall be the duty of the designated Training Representative to

devise the rotational schedules and to execute each change while working closely with the departments involved. Rotation shall take place on the Monday following January 1 and July 1 and all apprentices must be given at least one month notification prior to the normal rotation. The notification must include shift and location of new assignment. Some rotation assignments to Southern Indiana plants may be two (2) month assignments. Such assignments would be for rotating plants, not for shifts, and would only be for a six (6) month period. Rotation of apprentices to the Holset Madison facility will be on a voluntary basis dependent on the Company's ability to maintain the required journeyman/apprentice ratio at CEP and CIC.

Section 22 - SENIORITY

Apprentices shall accumulate Bargaining Unit Seniority in the same manner as other bargaining unit employees.

Section 23 - SAFETY

Safety shall be an important factor during the entire apprenticeship. The apprentice shall receive instruction in safety rules regarding the occupation. The Employee shall instruct the apprentice in safe and healthful work practices and shall insure that the apprentice is trained in facilities and other environments that are in compliance with either the occupational safety and health standards promulgated by the Secretary of Labor under Public Law 91-596, dated December 29, 1970, or State standards that have been found to be at least as effective as the Federal standards.

Section 24 - ASSIGNMENT/ SCHOOL SCHEDULES

All new apprentices shall be given their Team assignment at least one month prior to the first scheduled day of classroom training and shall report to the assigned Team at least one week prior to the beginning of classroom training. Tentative classroom schedules shall be given to all apprentices at least one month prior to the starting of the next semester of school.

Section 25 - REGISTRATION

This apprenticeship system shall be registered with the U.S. Department of Labor, Bureau of Apprenticeship and Training. For the purpose of national statistics, the Company will register each apprentice with the Registration Agency, giving the apprentice's name, address, birthdate, occupation, beginning date of apprenticeship, and credit for previous experience. The Registration Agency shall be kept informed of suspensions, cancellations, and reinstatements of apprentices.

Section 26 - CERTIFICATE OF COMPLETION OF APPRENTICESHIP

Upon completion of the Apprenticeship under these Apprenticeship Standards, the Joint Apprenticeship Committee shall recommend to the Bureau of Apprenticeship and Training, U.S. Department of Labor, that a certificate signifying completion of apprenticeship be issued to the apprentice. The certificate shall be framed and issued to the apprentice as soon as possible after completion of the program.

Section 27 - MODIFICATION OF STANDARDS

These Standards of Apprenticeship may be

amended or have new schedules added at any time such need arises provided they comply with U.S. Department of Labor Standards and are approved by the Company and the Union Bargaining Committee.

Section 28 - APPRENTICESHIP AGREEMENTS

Every Apprenticeship Agreement entered into under these Standards shall contain a clause making the Standards a part of the Agreement as written herein. Every apprentice shall be given an opportunity to read the Standards before he signs his Apprenticeship Agreement.

Letter of Agreement

Cummins Engine Company, Inc. and the Diesel Workers' Union have jointly agreed to a clarification of jurisdictional assignments for equipment maintenance and support for product engineering in the manufacturing plants.

Traditionally, and within the guidelines of the certification of both unions, OCU skilled trades and semi-skilled maintenance people, support OCU and exempt personnel performing non-production work at non-production facilities while DWU skilled trades and semi-skilled maintenance provide support in the manufacturing facilities. Therefore, with the decision to move certain R&E product engineering functions into the manufacturing facilities, it was determined that equipment maintenance and support would be assigned to the DWU in accordance with these guidelines.

Equipment may be assigned to either unit to perform work which is within their jurisdiction. The purpose of the task-production or non-production determines who performs the work.

Indianapolis Parts Distribution Center Agreement

Preamble

Realizing that the IPDC presents an opportunity to work together to secure present and future jobs for our work force and to strengthen Cummins' competitive position in the marketplace, the Union and Management jointly developed the following Operating Philosophy to guide our efforts:

Operating Philosophy

A vastly changing business environment combined with new and stronger competition, require that together through trust, communication, and respect for each other, we build an organization supportive of all employees in the development and utilization of their knowledge, ability and skill towards the achievement of personal and organizational goals.

Inherent in these goals is the commitment to being the most competitive organization in the world.

This requires a stable, secure, safe and rewarding work environment.

Our success will be dependent upon support and dedication from the entire organization and the commitment and willingness to make necessary changes.

A joint Union/Management committee has been established to ensure successful execution of this Philosophy.

The following language will apply to the IPDC:

VACATIONS

(See Article 16.9)

HOLIDAYS

COLA will be paid on Holidays.

WAGE & COST OF LIVING ALLOWANCE

- A. There shall be an initial base weekly salary for employees assigned to IPDC. There are scheduled increases in the base salary after the completion of each training block.

Example:

Base Salary	\$647.20
COLA Fold-in (1.22 cents X 40)	\$48.80
	\$696.00

Effective 4/25/93

Base Salary	\$696.00
After 1st Training Block & 2nd Training Block	\$699.18
After 3rd Training Block & 4th Training Block	\$702.40

The salary for the completion of any additional training blocks shall be determined by the Joint Union Company Managing Committee.

The Cost of Living Allowance, as figured in Article 19(B) and with the same adjustment dates, will be added to the weekly salary.

Example:

Base Salary + (COLA X 40) = weekly salary.

Inconvenience pay of \$70.00/week will be paid to the employee on call who carries the pager.

Base Salary + COLA = Weekly Salary

Overtime pay will be figured by dividing the total weekly salary by 40.

B. Disability/Benefits Plan:

0 - 3 months = 100% of salary
3 - 6 months = 75% of salary
After 6 months = 60% of salary
integrated with Social Security disability pay.

JOB CLASSIFICATION

There shall only be one job classification for IPDC. Routines within the job shall not be identified for permanent assignment. Employees assigned to the job shall be responsible for the complete job.

Training blocks of a minimum of six months in duration have been established for the purpose of insuring the complete training of all assigned employees.

There will be an initial approximately two-month training period in the basic work; then all employees will be placed in one of four training blocks identified as:

Order Processing
Receiving
Maintenance
Administration

Any substantial change in the training blocks or any additional training blocks will be reviewed by the Joint Union Company Managing Committee.

All employees will be trained in all training blocks.

OVERTIME POLICY/PROCEDURES

- A. When employees carrying the pager are called in for emergency work, they will be given a minimum of one hour overtime pay.
- B. Emergency overtime pay for people carrying the pager will not be charged on any roster.
- C. Refer to Article 17 for overtime administration.

In the event that either the Company or Union believes that any other provision in the current Labor Agreement should be modified for IPDC, then such modification shall be referred to the Joint Managing Committee. In the event the committee is unable to resolve the issue, the present *Labor Agreement* will apply.

GENERAL

Refer to Articles 11, 12 and 13 for IPDC Placement Administration.

Employees made available or who are successful bidders from IPDC will immediately be subject to the provisions of the CFMS Attendance Policy.

Employees hired prior to April 25, 1993, who intend to bid on IPDC openings must submit bids *to attend an IPDC orientation presentation.* The most senior employees will be selected to attend the orientation session. Employees who have attended the orientation session may withdraw bids for the IPDC openings prior to selection.

In the event of a volume related reduction in the *manning levels at IPDC, the Joint Union/*

Management Committee will monitor overtime abuses. If an excessive amount of overtime is scheduled for an extended period of time, the Joint Committee may recommend the need for an adjustment in manning levels.