

**Company's Last, Best, and Final Offer for 2020-2025 Base Business Contract**

As a result of today's negotiations, the Company has made its Last, Best, and Final Offer to the DWU. This has been presented to the DWU Bargaining Committee and is now being presented to you. This includes a \$2.00 per hour wage increase for all Team Associates effective immediately upon ratification. This replaces the previously proposed \$1.25 per hour raise plus \$.25 in January. The \$2.00 per hour increase is included in the backpay, which will result in a lump sum payment for all hours worked including overtime, shift premium, and special assignment pay since April 27, 2020.

**ABSOLUTELY nothing else** in the proposed agreement, which was voted on yesterday, was changed. CIL/AMA, Support Specialists and OESS increases, including back pay remained the same.

## Article 18 – Wage Schedule

Cummins agrees to apply retroactively to April 27, 2020 any negotiated increase to base wages and/or shift premiums that are effective upon ratification.

Cummins agrees to apply retroactively to date of hire any negotiated increases to base wages and/or shift premiums for new hires effective upon ratification.

Retroactive pay will be paid out on or before November 30<sup>th</sup>, 2020.

All DWU-represented employees **in the Advanced Manufacturing Associate, Continuous Improvement Leader, Support Specialist, and Operations Engineering Support Specialist job classifications** will receive a \$1.25 per hour increase to their current base wage rate effective the first Monday following ratification of this Labor Agreement.

**All DWU-represented employees in the Team Associate job classification will receive a \$2.00 per hour increase to their current base wage rate effective the first Monday following ratification of this Labor Agreement. All future increases will be based on pay for performance per Article 25. For the July 2021 increase only, no employee will receive less than the solid performer increase outlined in Article 18.**

The Company will pay no less than the following rates per hour.

### 18.1 Base Pay

	<u>Team Associate</u>	<u>Advanced Team Manufacturing Associate</u>
Entry	\$14.00 <u>17.50</u>	\$15.00 <u>\$21.50</u>
4 Months Probationary	\$14.50	\$15.50
Annual Increase	\$0.50*	<del>\$0.50**</del>
	<u>Continuous Improvement Leader</u>	<u>Support Specialist</u>
Entry	\$16.00 <u>\$21.50</u>	\$21.50 <u>\$29.50</u>

4 Months Probationary	\$16.50	\$22.00
Annual Increase	<del>\$0.50***</del>	<del>\$0.50****</del>

Operations Engineering  
Support Specialist

Entry	<del>\$22.50</del> <u>30.50</u>
4 Months Probationary	\$23.00
Annual Increase	<del>\$0.50****</del>

Entry wages will increase per the chart below for all job classifications effective the first pay period of July in 2021, 2022, 2023, and 2024:

Entry Wages				
	July 2021	July 2022	July 2023	July 2024
TA	\$ 17.75	\$ 18.00	\$ 18.25	\$ 18.50
AMA	\$ 21.75	\$ 22.00	\$ 22.25	\$ 22.50
CIL	\$ 21.75	\$ 22.00	\$ 22.25	\$ 22.50
SS	\$ 30.00	\$ 30.50	\$ 31.00	\$ 31.50
OESS	\$ 31.00	\$ 31.50	\$ 32.00	\$ 32.50

Entry wages will increase by \$0.25 per hour each year for Team Associates, Advanced Manufacturing Associates, and Continuous Improvement Leaders. Entry wages will increase by \$0.50 per hour each year for Support Specialist and Operations Engineering Support Specialist classifications. This will take effect the first pay period of July each year for the duration of this contract.

Annual increases for non-probationary employees will be effective on the Monday following January 1 of each contract year.

All employees in the Advanced Manufacturing Associate, Continuous Improvement Leader, Support Specialist, and Operations Engineering Support Specialist job classifications will receive a one-time \$0.25 per hour Performance Management transition increase on the Monday following January 1, 2021. All future increases will be based on pay for performance per Article 25. For the July 2021 increase only, no employee will receive less than the solid performer increase outlined

Team Associate			
Current Wage Rate	Ratification Increase	Equity Adjustment	New Wage Rate
15.00	2.00	1.00	18.00
15.25	2.00	0.88	18.13
15.50	2.00	0.75	18.25
15.75	2.00	0.63	18.38
16.00	2.00	0.50	18.50
16.00	2.00	0.63	18.63
16.00	2.00	0.75	18.75
16.25	2.00	0.63	18.88
16.50	2.00	0.50	19.00
16.75	2.00	0.38	19.13
17.00	2.00	0.25	19.25
17.25	2.00	0.13	19.38
17.50	2.00		19.50
17.75	2.00		19.75
18.00	2.00		20.00
18.25	2.00		20.25
18.50	2.00		20.50
18.75	2.00		20.75
19.00	2.00		21.00
19.25	2.00		21.25
19.50	2.00		21.50
19.75	2.00		21.75
20.00	2.00		22.00
20.25	2.00		22.25
20.50	2.00		22.50
20.75	2.00		22.75
21.00	2.00		23.00
21.25	2.00		23.25
21.50	2.00		23.50
21.75	2.00		23.75
22.00	2.00		24.00
22.25	2.00		24.25
22.50	2.00		24.50
22.75	2.00		24.75
23.00	2.00		25.00
23.25	2.00		25.25
23.50	2.00		25.50
23.75	2.00		25.75
24.00	2.00		26.00
24.25	2.00		26.25
24.50	2.00		26.50
24.75	2.00		26.75
25.00	2.00		27.00
25.15	2.00		27.15
25.29	2.00		27.29
25.89	2.00		27.89

12/3/17 - 8/31/19 hire date

9/1/17 - 12/2/17 hire date

9/1/16 - 8/31/17 hire date



What happens if the vote is against the proposed contract and for a strike?

- The workforce will have authorized a strike which would be called at any time after the contract expires. The strike would not necessarily start Monday (we would never tell the company when we are going to start a strike), so until a strike is called, DWU should continue to report to work until informed otherwise.
- The gains made in the proposed contract (wage increases, bonuses, etc.) would not be put into place.
- Starting Monday employees would be working without a contract. Employees would not be “working under the old contract”—there would just be no contract.
- Working without a contract after a Last, Best, and Final Offer is rejected means the existing terms and conditions of employment under the old contract would remain in place, with some caveats:
  - The company could lock the DWU out at any time. In a lockout the company can hire temporary replacements to continue performing the work. Employees who are locked out are generally ineligible for unemployment benefits in Indiana.
  - The company would be permitted to make unilateral changes to terms and conditions of employment that are consistent with the Last, Best, and Final Offer. The company does not have to make unilateral changes, but it can, so long as they are what the company proposed in the Last, Best, and Final Offer. This basically means the company can put into place the things it likes but does not have to put into place the things it does not like.
  - The arbitration provision of the contract would go away and we would not be able to force the company to arbitrate if someone’s rights were violated or they were disciplined or discharged for something they did while we were working without a contract.

What happens if there is a strike?

- The company can hire permanent replacements for DWU who are on strike. Permanent replacement basically means you are able to get your job back if the person who replaced you leaves the company, but not if they stay with the company.
- The company will not pay employees during a strike (except for time already worked) and striking employees are not entitled to unemployment benefits.
- The company can cut off health insurance benefits during a strike. You may have the option of paying the full premium to keep the health insurance during the strike.
- Other benefits which have already vested are not forfeited and cannot be taken away because of the strike.