CUMMINS U.S. EXEMPT SEVERANCE PLAN

INTRODUCTION

Cummins Inc. (the "Company") maintains the Cummins U.S. Exempt Severance Plan (the "Plan") to provide severance pay benefits to Eligible Employees who lose their jobs because of certain events specified in the Plan. The Plan's purpose is to provide economic assistance to Eligible Employees who become unemployed due to these events. This document sets out the Plan's provisions in effect on January 1, 2006. It serves as both the official Plan document and the summary description of the Plan required by ERISA. It replaces and supersedes any other Plan document or summary you may have received previously.

The Glossary at the end of this Plan defines the capitalized words and terms used throughout this Plan. When you encounter a capitalized word or term, you should turn to the Glossary to find its meaning.

PARTICIPATION IN THE PLAN

If you are an Eligible Employee, you will become a participant in the Plan on the later of the Effective Date or the date you become an Eligible Employee. An Eligible Employee is an Employee who is classified by the Company as a U.S. Full-Time or Part-Time Exempt Employee. Effective 4/1/2015, all exempt Employees of wholly owned North American Distributors are also considered Eligible Employees.

SEVERANCE PAY BENEFITS

1. Conditions for Receiving Pay Benefits. The Plan provides benefits only in the event of a Qualifying Termination. If your employment with the Company terminates due to a Qualifying Termination, and you are a participant in the Plan as of your termination date, you will be entitled to receive pay benefits under the Plan if you satisfy the conditions specified in the Plan. As a condition for receiving any Plan benefits, you will be required to sign a Waiver and Release. (See Section 4. below for more information about the Waiver and Release requirement.) You will also be required to remain employed by the Company until the termination date specified in your Notice (unless the Company notifies you in writing that it has waived that requirement).

2. Qualifying Termination. A Qualifying Termination is a termination of your employment with the Company, due to a reduction in force, the elimination of your job or position, or due to job performance (other than Termination for Cause). The following events are **not** considered to be a Qualifying Termination, and you will **not** receive Plan benefits, if your employment ends for any of the following reasons:

(a) Employee voluntary resignation;

(b) Termination for Cause;

(c) Demotion or transfer of an employee to another position, or an employee's refusal to accept a demotion or transfer to another position; or

(d) Merger with, or acquisition by, another organization, if you continue employment with or are hired by the new organization without an extended break in service.

3. Severance Pay Benefits. Except as provided in Section 4 below, if your employment with the Company is terminated due to a Qualifying Termination while you are a participant in the Plan, you will be entitled to severance pay benefits if (1) you remain employed by the Company until the termination date specified in your Notice (unless the Company notifies you in writing that it has waived that requirement), (2) you timely sign a Waiver and Release as described in Section 4 below, and (3) you do not revoke the Waiver and Release during the Revocation Period. If you satisfy these conditions, you will become entitled to receive Severance Pay in the form of salary continuation. No Variable Pay is earned during receipt of Severance Pay Benefits.

The amount of your severance pay will be determined by your length of service with the Company in accordance with the following chart:

Length of Service	Months of Salary Continuation
0 – 6 months	1
7 – 12 months	2
13 months -3 years	3
4 – 6 years	4
7 – 9 years	5
10 – 15 years	6
16 – 20 years	7
21 – 25 years	8
> 25 years or Comp Class 4 or 5	9

4. Severance Waiver and Release. To receive severance pay under the Plan you must execute a Waiver and Release. The Waiver and Release will be a written document, in a form determined by the Company, intended to create a binding agreement to release any claim that you have or may have against the Company and certain related entities and individuals that arise on or before the date on which you sign the Waiver and Release. You will have the right to revoke the Waiver and Release within the Revocation Period. If you revoke the Waiver and Release within the Revocation Period, you will not be entitled to any benefits under the Plan. If you do not sign the Waiver and Release by the applicable deadlines set by the Plan Administrator, or you revoke the Waiver and Release within the Revocation Period, you will not be entitled to any benefits under the Plan.

5. Authorized Leave of Absence. If you are placed on an Authorized Leave of Absence, your Authorized Leave of Absence will not have any effect on your eligibility for benefits under the Plan.

6. In the Event of Death. In the event of death prior to the end of the severance period, the remaining severance amount will be paid as a lump sum payment excluding any nontax deductions as follows:

- Via ACH to the bank account on file or
- Via live check made payable to the deceased exemployee mailed to the home address

7. Effect of Qualifying Termination On Other Benefits. The effect of a Qualifying Termination on your rights and benefits under other plans, policies, and programs (such as retirement plans, health plans, life insurance plans, and incentive plans) will be determined under the terms of the governing documents for those plans. This Plan will have no effect on those plans, policies, or programs.

PLAN ADMINISTRATOR

The Plan Administrator administers the Plan and is a named fiduciary of the Plan within the meaning of ERISA. The Plan Administrator has the discretionary authority to interpret all Plan provisions and to determine all issues arising under the Plan, including issues of eligibility and benefits. The Plan Administrator's failure to enforce any provision of this Plan shall not affect its right later to enforce the provision or any other provision of the Plan. The Plan Administrator may delegate some of its responsibilities under the Plan to its agents.

FUNDING OF PLAN BENEFITS

Payments under the Plan are made directly from the Company's general assets.

CLAIMS PROCEDURES

If you believe that you are entitled to a benefit under the Plan that has not been provided to you, the Plan provides claims and grievance procedures in accordance with federal law.

You may submit a claim by filing a written claim for the benefit with the Plan Administrator. If the Plan Administrator determines that your claim for benefits should be denied in whole or in part, you will receive written notice of the denial within 90 days after the Plan Administrator receives your claim. Under special circumstances, the Plan Administrator may extend the period for deciding your claim by up to an additional 90 days by notifying you, in writing, within the original 90-day period, of the extension, the reasons for the extension, and the date by which the Plan Administrator expects to make a decision on your claim.

The Plan Administrator's notice of a denial of your claim will specify the reason(s) for the denial, the Plan provision(s) on which the denial is based, and the procedure for requesting review of the denied claim. When appropriate, the notice will also describe any material or information that you may need to provide with respect to the claim and explain why that material or information is necessary.

You may request review of a denied claim by submitting a written request for review to the Plan Administrator within 90 days after you receive notice that your claim was denied. Your request must be signed by you or your authorized representative. In connection with the review, you or your authorized representative may review and copy, free of charge, any pertinent documents in the Plan Administrator's possession relating to your claim. You may also submit written issues, arguments, comments, documents, and evidence to the Plan Administrator in support of your claim. Notice of the Plan Administrator's decision on review will be sent to you within 60 days of receipt of the request or, if special circumstances require an extension of time for processing a request, within 120 days after receipt of your request. If the decision upholds the denial of your claim, in whole or in part, the written notice will explain the reason(s) with reference to the specific Plan provision(s) on which the decision is based. This decision will not be subject to further review under the Plan, but you will have a right to bring a civil action under Section 502(a) of ERISA if the Plan Administrator makes an adverse determination of your claim on appeal.

REQUIRED STATEMENT OF YOUR RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. The following statement concerning rights of participants under ERISA is required by regulations issued by the U.S. Department of Labor. ERISA provides that all Plan participants are entitled to:

Receive Information About Your Plan and Benefits

(a) Examine, without charge, at the Company's offices and at work sites, all documents filed by the Plan with the U.S. Department of Labor, and a copy of the Plan's latest annual report (Form 5500 series) filed and available at the Public Disclosure Room of the Pension and Welfare Benefits Administration.

(b) Obtain, upon written request, copies of all Plan documents governing the operation of the Plan, including the latest annual report (Form 5500 series), updated summary plan description, and other Plan information. The Plan Administrator may make a reasonable charge for the copies.

(c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each member with a copy of this summary financial report.

Prudent Action By Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties on the people responsible for the operation of the Plan. These people, called "fiduciaries," have a duty to operate the Plan prudently and in the interest of the covered individuals. Neither the Company nor any person may terminate your employment or discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision, without charge, and to appeal any denial within certain time limits. Under ERISA, there are steps you can take to enforce the rights described above. For example, if you request materials from the Plan that the Plan is required to provide and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the Plan Administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

Assistance With Your Questions

If you have any questions about this the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest Area Office of the Pension and Welfare Benefits Administration, U.S. Department of Labor listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

AMENDMENT AND TERMINATION OF PLAN

The Company hopes and expects to continue the Plan indefinitely, but the Company has the right to change the Plan and the benefits provided by the Plan from time to time by action of the Benefits Policy Committee. In addition, the Company has the right to terminate the Plan at any time by action of the Benefits Policy Committee.

SPECIFIC INFORMATION REQUIRED BY ERISA

Plan Name:	Cummins US Exempt Severance Plan
Name, Address, and Telephone Number of Plan Sponsor:	Cummins Inc. 500 Jackson St Columbus, IN 47201 812-377-5000
Plan Sponsor's Identification No.:	550
Plan Number:	35-0257090
Type of Plan:	The Plan is a welfare benefit plan providing severance pay benefits to Eligible Employees.
Type of Administration:	The Plan is administered by the Company.
Name, Address, and Telephone Number of Plan Administrator:	Cummins Inc. Benefits Policy Committee 500 Jackson St Columbus, IN 47201 812-377-5000
Agent for Service of Legal Process:	Service of legal process may be made on the Plan Administrator at the address shown above or on the Secretary of Cummins Inc whose name and address are as follows: Office of the General Counsel Cummins Inc. 500 Jackson St. Columbus, IN 47201
Date of End of Plan Year:	December 31
Basis of Keeping Records:	Plan Year

B. GLOSSARY

Wherever used in this document, the following words and terms have the following meanings, unless a different meaning is clearly indicated by the context.

Authorized Leave of Absence. A leave of absence granted by the Company, in accordance with its established personnel policies, (1) due to an Employee's disability, (2) pursuant to the Family and Medical Leave Act of 1993, or (3) as otherwise required by applicable local, state, or federal law.

Company. Cummins Inc. and affiliates.

Effective Date. January 1, 2006.

Eligible Employee. An Employee who is classified by the Company as a U.S. Full-Time or Part-Time Exempt Employee. Excludes Employees with employment or separation agreements. Effective 4/1/2015, this includes exempt Employees of all wholly owned North American Distributors.

Employee. An individual, other than a temporary employee, who is employed by the Company and receives compensation from the Company that the Company reports on a Federal Wage and Tax Statement (Form W-2).

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

Exempt Employee. Employees who, based on duties performed and manner of compensation, are exempt from the Fair Labor Standards Act (FLSA) minimum wage and overtime provisions.

Full-Time Employee. An Employee who regularly works at least 37.5 hours per week.

Part-Time Employee. An Employee who regularly works at least 20 hours per week.

Pay. Consists of your base pay (at the rate applicable to you on your termination date), not including overtime pay, shift differentials, sales commissions, bonus compensation, incentive pay, equity-based compensation, employer contributions to benefits, or any other special or additional compensation beyond base wages or salary.

Plan. The Cummins US Exempt Severance Plan, as set forth in this document and as amended from time to time.

Plan Administrator. Cummins Inc. Benefits Policy Committee.

Qualifying Termination. Termination of your employment with the Company due to (1) reduction in force, (2) the elimination of your job or position, or (3) job performance (other than Termination for Cause). A Qualifying Termination **does not** include termination because of an Employee's voluntary resignation; Termination for Cause; demotion or transfer of an employee to another position, or an employee's refusal to accept a demotion or transfer to another position; or merger with, or acquisition by, another organization where you continue employment with or are hired by the new organization without an extended break in service.

Revocation Period. The period of time during which you may revoke the Severance Waiver and Release. The Revocation Period, which will be specified in the Waiver and Release, will be at least 7 days from the date you sign the Waiver and Release, and it may be longer, depending on applicable law.

Service. The number of years an employee has worked for the Company, including time at an affiliated employer, such as a North American Distributor.

Termination for Cause. Includes, but is not limited to: violation of Treatment of Others Policy, violation of the Code of Conduct, theft or other acts of dishonesty, willful destruction of Company property, refusal to obey a supervisor's reasonable instructions, conduct endangering the safety of employee or co-workers, falsification of company documents, Internet Usage Policy, or violation of other Company rules or policies.

Waiver and Release. The written agreement between the Company and an Employee, in a form specified by the Company, pursuant to which the Employee, as a condition of receiving benefits under the Plan, agrees to release the Company and certain related entities and individuals from all claims that the Employee has or may have against any or all of them that arise on or before the date on which the Employee signs the Waiver and Release.