



Cummins Inc.

CMI NYSE

Construction / Agricultural Machinery

Market Capitalization USD:

\$15,899.36 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Norman Thomas Linebarger

Age: 49

CEO Since: 2012

	2009	2010	2011
Base Salary	\$1,139,250	\$1,285,000	\$1,355,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$4,452,000	\$4,094,800	\$8,881,500
Benefits and Perquisites	\$96,215	\$112,215	\$158,944
TOTAL ANNUAL COMPENSATION	\$5,687,465	\$5,492,015	\$10,395,444
Increase in Post-Retirement Benefits	\$1,489,788	\$620,078	\$3,165,137
Stock Option Awards	\$642,637	\$1,383,674	\$2,006,025
Stock Awards	\$610,447	\$1,615,960	\$2,373,276
TOTAL COMPENSATION	\$8,430,337	\$9,111,727	\$17,939,882
Median of Other Named Executive Officers Total Compensation	\$2,699,839	\$2,552,509	\$5,414,398
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$4,223,232	\$7,125,198	\$1,428,956
TOTAL REALIZED EQUITY COMPENSATION	\$4,223,232	\$7,125,198	\$1,428,956

Proxy Date: 27 Mar 2012

Annual Meeting Date: 8 May 2012

Equity Reserves: 4.95%

Stock Option Run Rate: 0.23%

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Performance Comparison

■ S&P500 ■ Industry ■ CMI



Peer Comparisons (TRBC) = Industrials

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CMI	Cummins Inc.	\$8,430,337	\$9,111,727	\$17,939,882	\$15,899,357,643
NSC	Norfolk Southern Corporation	\$12,756,176	\$10,962,546	\$12,916,766	\$22,864,226,340
NOC	Northrop Grumman Corporation	\$17,937,340	\$22,849,412		\$14,506,217,204
PCAR	PACCAR Inc.	\$4,198,201	\$7,732,673	\$12,579,410	\$12,361,758,289
IRM	Iron Mountain Incorporated	\$1,676,456	\$1,420,217		\$6,350,440,960
PSA	Public Storage	\$2,205,800	\$2,009,800	\$2,759,800	\$19,003,387,962
RTN	Raytheon Company	\$18,636,872	\$18,787,343		\$14,452,163,309

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Borg Warner Incorporated, Caterpillar Incorporated, Daimler AG, Danaher Corporation, Deere and Company, Donaldson Company Incorporated, Eaton Corporation, Emerson Electric Company, Honeywell International Incorporated, Illinois Tool Works, Ingersoll-Rand PLC, Navistar International Corporation, Paccar Incorporated, Parker-Hannifin Corporation, Textron Incorporated, Volvo AB, W. W. Grainger, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Georgia R. Nelson	Chairman	62	Female	8	Outside
Alexis M. Herman	Member	64	Female	11	Outside Related
Carl Ware	Member	68	Male	8	Outside
Robert K. Herdman	Member	63	Male	4	Outside
William I. Miller	Member	55	Male	23	Outside Related

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