

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-A/A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES
PURSUANT TO SECTION 12(b) or (g) OF THE
SECURITIES EXCHANGE ACT OF 1934

CUMMINS ENGINE COMPANY, INC.
(Exact Name of Registrant as specified in its Charter)

Indiana (State of Incorporation or Organization)	35-0257090 (I.R.S. Employer Identification) No.)
500 Jackson Street Box 3005 Columbus, Indiana (Address of Principal Executive Office)	47202-3005 (Zip Code)

If this Form relates to the registration of a class of debt securities and is effective upon filing pursuant to General Instruction A(c)(1) please check the following box: []

If this Form relates to the registration of a class of debt securities and is to become effective simultaneously with the effectiveness of a concurrent registration statement under the Securities Act of 1933 pursuant to General Instruction A(c)(2) please check the following box: []

Securities to be Registered Pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered:	Name of Each Exchange on Which Each Class is to be Registered:
Common Stock Purchase Rights	New York Stock Exchange Pacific Stock Exchange

Securities to be Registered Pursuant to Section 12(g) of the Act:

None
(Title of Class)

This Amendment No. 8 on Form 8-A/A dated as of July 9, 1996, is hereby filed to supplement and amend the information set forth in the Registration Statement on Form 8-A dated January 8, 1987, filed by Cummins Engine Company, Inc. and the information set forth in the amendments thereto on Form 8-K dated July 13, 1990 and on Form 8-A dated December 22, 1988, August 24, 1989, November 7, 1990, November 1, 1993 and January 12, 1994 respectively. All capitalized terms not defined herein have the meanings ascribed to such terms in the Rights Agreement (as defined herein).

Item 1. Description of Registrant's Securities to be Registered.

On July 9, 1996, the Board of Directors of Cummins Engine Company, Inc., an Indiana corporation (the "Company"), approved Amendment No. 8 to that certain Rights Agreement dated as of September 9, 1986 (the "Amendment"), between the Company and First National Bank of Chicago, a national banking association, as Rights Agent (the "Rights Agent") (as amended, the "Rights Agreement").

The Amendment, among other things, (a) extends the Expiration Date of the Rights from September 30, 1996, to September 30, 2006, and (b) makes changes to reflect that Tenneco Inc., a Delaware corporation, and its affiliates no longer have an interest in the Company.

Item 2. Exhibits.

5. (a) Amendment No. 8 to the Rights Agreement dated as of July 9, 1996.

(b) Rights Agreement, as amended and restated.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned hereunto duly authorized.

Cummins Engine Company, Inc.

Date: July 15, 1996

By: /s/ Mark R. Gerstle

Mark R. Gerstle
Vice President - General
Counsel and Secretary

RIGHTS AGREEMENT dated as of September 9, 1986, amended and restated as of July 9, 1996, between CUMMINS ENGINE COMPANY, INC., between CUMMINS ENGINE COMPANY, INC., an Indiana corporation (the "Company"), and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, as Rights Agent (the "Rights Agent").

WHEREAS, the Company and the Rights Agent entered into that certain Rights Agreement dated as of September 9, 1986 (as amended, the "Rights Agreement"); and

WHEREAS, the Company and the Rights Agent amended the Rights Agreement on December 13, 1988 (Amendment No. 1), April 4, 1989 (Amendment No. 2), August 8, 1989 (Amendment No. 3), July 13, 1990 (Amendment No. 4), October 9, 1990 (Amendment No. 5), October 12, 1993 (Amendment No. 6), December 29, 1993 (Amendment No. 7) and July 9, 1996 (Amendment No. 8).

NOW THEREFORE, the Rights Agreement is restated to reflect such amendments as follows:

The Board of Directors of the Company (the "Board") has authorized and declared a dividend of one Right (as hereinafter defined) for each share of Common Stock, par value \$2.50 per share, of the Company (the "Common Stock") outstanding on September 19, 1986 (the "Record Date"), and has authorized the issuance of one Right (subject to adjustment from time to time as provided in Section 11) with respect to each share of Common Stock that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Expiration Date (as such terms are hereinafter defined); provided, however, that Rights may be issued with respect to shares of Common Stock that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date in accordance with the provisions of Section 23. Each Right shall initially represent the right to purchase one share of Common Stock.

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

SECTION 1. Certain Definitions. For purposes of this Rights Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall after the acquisition by such Person (or by such Person's Affiliates or Associates) on or after July 16, 1990 of Beneficial Ownership of Common Shares be the Beneficial Owner of 15% or more of the Common Shares then outstanding (the number of Common Shares then outstanding being the number set forth in the then most recently available filing by the Company pursuant to the Exchange Act) but shall not include (i) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan; (ii) any Person who becomes a Beneficial Owner of 15% or more of the Common Shares then outstanding and who, within five Business Days of the public announcement by the Company or such Person that such Person has acquired such Beneficial Ownership, divests itself of a sufficient number of Common Shares so that it is no longer the Beneficial Owner of 15% or more of the then outstanding Common Shares; (iii) Ford Motor Company, a Delaware corporation ("Ford"), provided that Ford does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to Section 3.2(a)(i), Section 3.2(e) or Section 3.2(f) of the Investment Agreement between the Company and Ford dated as of July 16, 1990 (the "Ford Investment Agreement"), or pursuant to the Option Agreement (as defined in such Investment Agreement); or (iv) Kubota Corporation, a Japanese corporation ("Kubota"), provided that Kubota does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to Section 3.2(a)(i), Section 3.2(d) or Section 3.2(e) of the Investment Agreement between the Company and Kubota dated as of July 16, 1990 (the "Kubota Investment Agreement").

(b) "Affiliate" and "Associate", when used with reference to any Person, shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on the date hereof.

(c) A Person shall be deemed the "Beneficial Owner" of, and

shall be deemed to "beneficially own", any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights (other than rights issuable under this Rights Agreement), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange thereunder; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (B) of subparagraph (ii) of this paragraph (c)) or disposing of any securities of the Company.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Book Value" when used with reference to Common Shares issued by any Person shall mean the amount of equity of such Person applicable to each Common Share, determined (i) in accordance with generally accepted accounting principles in effect on the date as of which such Book Value is to be determined, (ii) using all the consolidated assets and all the consolidated liabilities of such Person on the date as of which such Book Value is to be determined, except that no value shall be included in such assets for goodwill arising from consummation of a Business Combination, and (iii) after giving effect to (A) the exercise of all rights, options and warrants to purchase such Common Shares (other than the Rights) and the conversion of all securities convertible into such Common Shares, at an exercise or conversion price, per Common Share, which is less than such Book Value before giving effect to such exercise or conversion, (B) all dividends and other distributions on the capital stock of such Person declared prior to the date as of which such Book Value is to be determined and to be paid or made after such date and (C) any other agreement, arrangement, understanding, transaction or other action prior to the date as of which such Book Value is to be determined which would have the effect of thereafter reducing such Book Value.

(f) "Business Combination" shall have the meaning set forth in Section 13(a).

(g) "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the Borough of Manhattan, The City of New York, are authorized or obligated by law or executive order to close.

(h) "Close of Business" on any given date shall mean 5:00 p.m., New York City time, on such date; provided, however, that if such date is not a Business Day, "Close of Business" shall mean 5:00 p.m., New York City time, on the next succeeding Business Day.

(i) "Common Shares" when used with reference to the Company prior to a Business Combination shall mean the shares of Common Stock or any other shares of capital stock of the Company into which the Common Stock shall be reclassified or changed. "Common Shares" when used with reference to any Person (other than the Company prior to a Business Combination) shall mean shares of capital stock of such Person (if such Person is a corporation) of any class or series, or units of equity interests in such Person (if such Person is not a corporation) of any class or series, the terms of which do not limit (as a fixed amount and not merely in proportional terms) the amount of dividends or income payable or distributable on such class or series or the amount of assets distributable on such class or series upon any voluntary or involuntary liquidation, dissolution or winding up of such Person and

do not provide that such class or series is subject to redemption at the option of such Person, or any shares of capital stock or units of equity interests into which the foregoing shall be reclassified or changed; provided, however, that if at any time there shall be more than one such class or series of capital stock or equity interests in such Person, "Common Shares" of such Person shall include all such classes and series substantially in the proportion of the total number of shares or other units of each such class or series outstanding at such time.

(j) "Common Stock" shall mean the Common Stock, par value \$2.50 per share, of the Company.

(k) "Company" shall mean Cummins Engine Company, Inc., an Indiana corporation; provided, however, that if there is a Business Combination, "Company" shall have the meaning set forth in Section 13(b).

(l) The term "control", with respect to any Person shall mean the power to direct the management and policies of such Person, directly or indirectly, by or through stock ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other Persons by or through stock ownership, agency or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(m) "Disinterested Director" shall mean any member of the Board (i) who is not an officer or employee of the Company or any of its Subsidiaries, (ii) who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person or a nominee or representative of an Acquiring Person or of any such Affiliate or Associate and (iii) who was a member of the Board prior to the Share Acquisition Date or was recommended for election or elected by a majority of the Disinterested Directors then on the Board.

(n) "Distribution Date" shall mean the Close of Business on the tenth Business Day after the earlier of (i) the Share Acquisition Date or (ii) the Tender Offer Date.

(o) "Equivalent Shares" shall mean any class or series of capital stock of the Company, other than Common Shares, which is entitled to participate in dividends and other distributions, including distributions upon the liquidation, dissolution or winding up of the Company on a proportional basis with the Common Shares. In calculating the number of any class or series of Equivalent Shares for purposes of Section 11, the number of shares, or fractions of a share, of such class or series of capital stock that is entitled to the same dividend or distribution as a whole Common Share shall be deemed to be one share.

(p) "Exchange Act" shall mean the Securities Exchange Act of 1934, as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(q) "Expiration Date" shall mean the Close of Business on September 30, 2006.

(r) "Major Part" when used with reference to the assets of the Company and its Subsidiaries as of any date shall mean assets (i) having a fair market value aggregating 50% or more of the total fair market value of all the assets of the Company and its Subsidiaries (taken as a whole) as of the date in question, (ii) accounting for 50% or more of the total value (net of depreciation and amortization) of all the assets of the Company and its Subsidiaries (taken as a whole) as would be shown on a consolidated or combined balance sheet of the Company and its Subsidiaries as of the date in question, prepared in accordance with generally accepted accounting principles then in effect, or (iii) accounting for 50% or more of the total amount of net income of the Company and its Subsidiaries (taken as a whole) as would be shown on a consolidated or combined statement of income of the Company and its Subsidiaries for the period of 12 months ending on the last day of the month next preceding the date in question, prepared in accordance with generally accepted accounting principles then in effect.

(s) "Market Value" when used with reference to the Common Shares on any date shall be deemed to be the average of the daily closing prices, per Common Share, for the 30 consecutive Trading Days immediately prior to the date in question; provided, however, that in the event that the Market Value of such Common Shares is to be determined in whole or in part during a period following the announcement by the issuer of such Common Shares of any dividend, distribution or other action of the type described in Section 11(a), (b) or (c) which would require an adjustment thereunder, then in each

such case the Market Value of such Common Shares shall be appropriately adjusted to reflect the effect of such action on the market price of such Common Shares. The closing price for each Trading Day shall be the last sale price, regular way, or, in case no such sale takes place on such Trading Day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to which such Common Shares are listed or admitted to trading on a national securities exchange or, if such Common Shares are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or such other system then in use, or, if on any such Trading Day such Common Shares are not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Common Shares selected by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board. If on any such Trading Day no such market maker is making a market in such Common Shares, the closing price of such Common Shares on such Trading Day shall mean the fair value of such Common Shares as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board (whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent, the holders of Rights and all other Persons). For purposes of this paragraph (s), the term Common Shares shall include Equivalent Shares.

(t) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(u) "Principal Party" shall mean the Surviving Person in a Business Combination; provided, however, that if such Surviving Person is a direct or indirect Subsidiary of any other Person, "Principal Party" shall mean the Person which is the ultimate parent of such Surviving Person and which is not itself a Subsidiary of another Person. In the event ultimate control of such Surviving Person is shared by two or more Persons, "Principal Party" shall mean that Person that is immediately controlled by such two or more Persons.

(v) "Purchase Price" with respect to each whole Right shall mean \$200 and shall be payable in lawful money of the United States of America.

(w) "Record Date" shall mean September 19, 1986.

(x) "Redemption Date" shall mean the Close of Business on the date as of which the Rights are ordered to be redeemed by the Board as provided in Section 24(a).

(y) "Redemption Price" shall mean \$0.01 per whole Right.

(z) "Registered Common Shares" shall mean Common Shares which are, as of the date of consummation of a Business Combination, and have been continuously registered under Section 12 of the Exchange Act during the preceding 12 months.

(aa) "Right Certificate" shall mean a certificate evidencing a Right in substantially the form attached hereto as Exhibit A.

(bb) "Rights" shall mean the rights to purchase Common Shares as provided in this Rights Agreement.

(cc) "Securities Act" shall mean the Securities Act of 1933 as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(dd) "Share Acquisition Date" shall mean the first date of public disclosure by the Company or an Acquiring Person that a Person has become an Acquiring Person.

(ee) "Subsidiary" shall mean a Person, a majority of the total outstanding Voting Power of which is owned, directly or indirectly, by another Person or by one or more other Subsidiaries of such other Person or by such other Person and one or more other Subsidiaries of such other Person.

(ff) "Summary of Rights" shall mean the Summary of Rights To Purchase Common Stock of Cummins Engine Company, Inc., in substantially the form attached hereto as Exhibit B.

(gg) "Surviving Person" shall mean (1) the Person which is the continuing or surviving Person in a consolidation or merger specified in Section 13(a)(i) or (ii) or (2) the Person to which the

Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in a transaction specified in Section 13(a)(iii); provided, however, that if the Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in one or more related transactions specified in Section 13(a)(iii) to more than one Person, the "Surviving Person" in such case shall mean the Person that acquired assets of the Company and/or its Subsidiaries with the greatest fair market value in such transaction or transactions.

(hh) "Tender Offer Date" shall mean the first date of the commencement of, or first public disclosure of the intent of any Person (other than (x) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan, (y) Ford in connection with its making of an offer in accordance with Section 3.2(a)(i) or Section 3.2(f) of the Ford Investment Agreement, or (z) Kubota in connection with its making of an offer in accordance with the final provision of Section 3.2(a)(i) of Section 3.2(e) of the Kubota Investment Agreement) to commence a tender or exchange offer for 20% or more of the outstanding Common Shares (including any such date which is after the date of this Rights Agreement and prior to the issuance of the Rights).

(ii) "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Shares, Equivalent Shares or Rights, as the case may be, are listed or admitted to trading is open for the transaction of business or, if the Shares or Rights in question are not listed or admitted to trading on any national securities exchange, a Business Day.

(jj) "Triggering Event" shall have the meaning set forth in Section 11(d)(i).

(kk) "Voting Power" when used with reference to the capital stock of, or units of equity interests in, any Person shall mean the power under ordinary circumstances (and not merely upon the happening of a contingency) to vote in the election of directors of such Person (if such Person is a corporation) or to participate in the management and control of such Person (if such Person is not a corporation).

SECTION 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights (who prior to the Distribution Date shall also be the holders of the Common Shares) in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint one or more co-Rights Agents as it may deem necessary or desirable (the term "Rights Agent" being used herein to refer, collectively, to the Rights Agent together with any such co-Rights Agents. In the event the Company appoints one or more co-Rights Agents, the respective duties of the Rights Agent and any co-Rights Agents shall be as the Company shall determine.

SECTION 3. Issue of Right Certificates. (a) Until the Distribution Date, (i) the Rights will be evidenced by the certificates for Common Shares registered in the names of the holders thereof (which certificates for Common Shares shall also be deemed to be Right Certificates) and not by separate Right Certificates, and (ii) the right to receive Right Certificates will be transferable only in connection with the transfer of Common Shares. As soon as practicable after the Company has notified the Rights Agent of the occurrence of the Distribution Date, the Rights Agent will send, by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate, evidencing one Right (as adjusted from time to time prior to the Distribution Date as provided in Section 11) for each Common Share so held. After the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) On the Record Date or as soon as practicable thereafter, the Company will send a copy of the Summary of Rights, in substantially the form attached hereto as Exhibit B, by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date at the address of such holder shown on the records of the Company. With respect to certificates for Common Shares outstanding as of the Record Date, until the Distribution Date the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates with or without a copy of the Summary of Rights attached thereto and the registered holders of the Common Shares shall also be the registered holders of the associated Rights. Until the earliest of the Distribution Date, the Redemption Date or the Expiration Date, the transfer of any of the certificates for the Common Shares outstanding on the Record Date, even without a copy of the Summary of Rights attached thereto, shall also

constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

(c) Certificates for Common Shares issued after the Record Date, but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date, shall have printed on, written on or otherwise affixed to them a legend substantially in the following form:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement dated as of September 9, 1986 (the "Rights Agreement"), between Cummins Engine Company, Inc., and The First National Bank of Chicago, as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive office of Cummins Engine Company, Inc. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. Cummins Engine Company, Inc., will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, Rights beneficially owned by Acquiring Persons or their Affiliates or Associates (as such terms are defined in the Rights Agreement) may become null and void and any holder of any such Right (including any subsequent holder) shall not have any right to exercise such Rights.

With respect to certificates bearing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

SECTION 4. Form of Right Certificates. (a) The Right Certificates (and the form of election to purchase and form of assignment to be printed on the reverse side thereof) shall be in substantially the form attached hereto as Exhibit A and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Rights Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Sections 11, 13 and 23, the Right Certificates, when first issued, shall be dated as of the Distribution Date, and on their face shall entitle the holders thereof to purchase such number of Common Shares as shall be set forth therein at the Purchase Price set forth therein.

(b) Notwithstanding any other provision of this Rights Agreement, (i) any Right Certificate issued pursuant to Section 3(a) that represents Rights known by the Company to be beneficially owned by an Acquiring Person or any Affiliate or Associate of an Acquiring Person, (ii) any Right Certificate issued at any time upon the transfer of any Right to an Acquiring Person or Person known by the Company to be an Affiliate or Associate of an Acquiring Person or to any Person known by the Company to be a nominee of such Acquiring Person, Affiliate or Associate and (iii) any Right Certificate issued pursuant to Section 6, 11 or 23 upon transfer, exchange, replacement or adjustment of any other Right Certificate referred to in this sentence, shall contain a legend substantially in the following form:

The Rights represented by this Right Certificate are or were beneficially owned by a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person. Accordingly, this Right Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of the Rights Agreement.

SECTION 5. Execution, Countersignature and Registration.

(a) The Right Certificates shall be executed on behalf of the Company by the Chairman of the Board, the President, any Executive Vice President or the Vice President--General Counsel of the Company, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or any Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by the Rights Agent and shall not be valid or obligatory for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates

nevertheless may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate although at the date of the execution of this Rights Agreement any such person was not such an officer of the Company.

(b) After the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal corporate trust office in Chicago, Illinois, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced by each of the Right Certificates and the date of each of the Right Certificates.

SECTION 6. Transfer, Split-Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. (a) Subject to the provisions of Section 15, at any time after the Distribution Date, and at or prior to the earlier of the Redemption Date or the Expiration Date, any Right Certificate or Right Certificates may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates entitling the registered holder to purchase a like number of Common Shares as the Right Certificate or Right Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate shall make such request in writing delivered to the Rights Agent and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the principal corporate trust office of the Rights Agent. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them and, at the Company's request, reimbursement to the Company and the Rights Agent for all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will make a new Right Certificate of like tenor and deliver such new Right Certificate to the Rights Agent for delivery to the registered owner in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

SECTION 7. Exercise of Rights; Expiration Date of Rights. (a) Each whole Right shall entitle the registered holder thereof, upon the exercise thereof as provided herein, to purchase, for the Purchase Price, at any time after the earlier of the Distribution Date or the occurrence of a Triggering Event (but not during such time as there is a right of redemption as provided in Section 24(a)), and at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date, one Common Share, subject to adjustment from time to time as provided in Sections 11 and 13.

(b) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date by surrendering the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at its principal corporate trust office in Chicago, Illinois, together with payment of the Purchase Price for each whole Right exercised, at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the Common Shares to be purchased together with an amount equal to any applicable transfer tax, in lawful money of the United States of America, in cash or by certified check or bank draft payable to the order of the Company, the Rights Agent shall thereupon promptly (i) requisition from any transfer agent of the Common Shares (or make available, if the Rights Agent is the transfer agent) certificates for the number of Common Shares to be purchased (the Company hereby irrevocably authorizes its transfer agent to comply with all such requests), (ii) requisition from the Company the amount of cash to be paid in lieu of issuing fractional shares in accordance with Section 15, (iii) cause the certificate for such Common Shares to be delivered to or upon the

order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder and (iv) deliver such cash to or upon the order of such holder.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equal in number to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 15.

(e) Notwithstanding anything in this Rights Agreement to the contrary, any Rights that are or were, at any time after the earlier of the Distribution Date or the occurrence of a Triggering Event, beneficially owned by an Acquiring Person or any Affiliate or Associate of an Acquiring Person shall become null and void upon the occurrence of a Triggering Event, and any holder of any such Right (including any subsequent holder) shall not have any right to exercise any such Right under this Rights Agreement after the occurrence of a Triggering Event.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to the registered holder of a Right Certificate upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates of such Beneficial Owner as the Company shall reasonably request.

SECTION 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any Right Certificate purchased or acquired by the Company. The Rights Agent shall deliver all canceled Right Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Right Certificates and in such case shall deliver a certificate of destruction thereof to the Company.

SECTION 9. Reservation and Availability of Common Shares.

(a) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares (subject to payment of the Purchase Price), be duly and validly authorized, issued, fully paid and nonassessable shares.

(b) So long as the Common Shares are listed on any national securities exchange, the Company covenants and agrees to use its best efforts to cause, from and after such time as the Rights become exercisable, all Common Shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) The Company further covenants and agrees that it will pay when due and payable any and all Federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of Right Certificates or of Common Shares upon the exercise of the Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or in respect of the issuance or delivery of certificates for Common Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise, nor shall the Company be required to transfer or deliver any Right Certificate or issue or deliver any certificates for Common Shares upon the exercise of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the satisfaction of the Company that no such tax is due.

SECTION 10. Common Shares Record Date. Each Person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable transfer taxes) was made; provided, however,

that if the date of such surrender and payment is a date upon which the Common Shares transfer books of the Company are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Shares transfer books of the Company are open.

SECTION 11. Adjustment of Number and Kind of Shares and Rights Outstanding. The number and kind of shares covered by each Right and, prior to the Distribution Date, the number of Rights associated with each Common Share are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Rights Agreement and prior to the Distribution Date (x) declare a dividend, or make a distribution, on its outstanding Common Shares payable in Common Shares, (y) subdivide (by a stock split or otherwise) or split the outstanding Common Shares into a larger number of Common Shares or (z) combine (by a reverse stock split or otherwise) the outstanding Common Shares into a smaller number of Common Shares then, in each such event, (1) each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares issuable upon the exercise of a Right immediately prior to such event by a fraction, the numerator of which shall be the number of Common Shares outstanding immediately after such event and the denominator of which shall be the number of Common Shares outstanding immediately prior to such event and (2) the number of Rights associated with each Common Share of the Company at the time of the record date for such dividend or distribution or the effective date of such subdivision or combination shall be adjusted so that the number of Rights thereafter associated with each such Common Share shall equal the result obtained by multiplying the number of Rights associated with each such Common Share immediately prior to such record date or effective date by a fraction, the numerator of which shall be the total number of such Common Shares outstanding immediately prior to such record date or effective date and the denominator of which shall be the total number of such Common Shares outstanding immediately following such record date or effective date.

(ii) In the event the Company shall at any time after the date of this Rights Agreement and prior to the Distribution Date issue any shares of its capital stock in a reclassification or change of the outstanding Common Shares (including any such reclassification or change in connection with a merger in which the Company is the surviving corporation), the number and kind of securities issuable upon the exercise of the Rights and the number of Rights associated with each security issued in such reclassification or change shall be appropriately adjusted to reflect such reclassification or change.

(iii) In the event the Company shall at any time after the Distribution Date authorize the occurrence of any of the events described in clause (x), (y) or (z) of Section 11(a) (i) or in Section 11(a) (ii), then, in each such event, the number and kind of securities issuable upon the exercise of the Rights shall be adjusted so that the holder of any Right exercised after such time shall be entitled to receive, for the Purchase Price, the aggregate number and kind of securities which such holder would have received on any such event if such holder had exercised such Right immediately prior to the occurrence of such event.

(b) If the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Common Shares or of any class or series of Equivalent Shares entitling such holders (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares or Equivalent Shares (or securities convertible into Common Shares or Equivalent Shares) at a price per share (or having a conversion price per share, if a security convertible into Common Shares or Equivalent Shares) less than the Market Value of one Common Share or Equivalent Share on such record date, each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares covered by a Right immediately prior to the record date by a fraction the numerator of which shall be the number of Common Shares and Equivalent Shares (if any) outstanding on such record date plus the number of additional Common Shares or Equivalent Shares, as the case may be, to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible) and the denominator of which shall be such outstanding number of Common Shares and Equivalent Shares (if any) plus the number of Common Shares or Equivalent Shares, as the case may be, which the aggregate offering price of the total number of Common Shares or Equivalent Shares, as the case may be, so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Market Value. In case such subscription price may be paid in a consideration, part or all of which

shall be in a form other than cash, the value of such consideration shall be as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board, whose determination shall be described in a statement filed with the Rights Agent. Common Shares and Equivalent Shares owned by or held for the account of the Company or any Subsidiary of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, each Right shall be adjusted to evidence the right to receive that number of Common Shares which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(c) If the Company shall fix a record date for the making of a distribution to all holders of the Common Shares or of any class or series of Equivalent Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of cash (other than a regular periodic cash dividend at a rate not in excess of 125% of the rate of the last regular cash dividend theretofore paid on the Common Shares), evidences of indebtedness, assets, securities (other than Common Shares) or subscription rights, options or warrants (excluding those referred to in Section 11(b)), each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares covered by a Right immediately prior to the record date by a fraction the numerator of which shall be the Market Value of one Common Share or Equivalent Share on such record date and the denominator of which shall be such Market Value, less the fair market value (as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, evidences of indebtedness, assets or securities so to be distributed or of such subscription rights, options or warrants applicable to one Common Share or Equivalent Share, as the case may be. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, each Right shall be adjusted to evidence the right to receive that number of Common Shares which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(d) (i) If any of the events described in the following clauses (A), (B), (C) or (D) of this Section 11(d) (i) (each such event being herein referred to as a "Triggering Event") shall occur:

(A) any Acquiring Person or any Affiliate or Associate of any Acquiring Person shall, directly or indirectly (1) merge into the Company or otherwise combine with the Company and the Company shall be the continuing or surviving corporation in such merger or combination and the Common Shares of the Company shall remain outstanding and unchanged, (2) transfer any assets to the Company or any of its Subsidiaries in exchange (in whole or in part) for shares of capital stock of the Company or any such Subsidiary or for securities exercisable for or convertible into shares of capital stock of the Company or any such Subsidiary or otherwise obtain from the Company or any such Subsidiary, with or without consideration, any additional shares of capital stock of the Company or any such Subsidiary or securities exercisable for or convertible into shares of capital stock of the Company or any such Subsidiary (other than as part of a pro rata distribution or offer to all holders of Common Shares or an issuance upon conversion of convertible securities of the Company or any such Subsidiary that were not acquired from the Company or any such Subsidiary), (3) sell, lease, exchange, mortgage, pledge or otherwise transfer to or with, or purchase or otherwise acquire from, the Company or any of its Subsidiaries, assets on terms and conditions less favorable to the Company than the Company would be able to obtain in an arm's-length negotiation with an unaffiliated third party, (4) engage in any transaction with the Company or any of its Subsidiaries involving the sale, purchase, lease, exchange, mortgage, pledge or transfer (in one transaction or series of transactions), other than in the ordinary course of business of one of the lines of business currently engaged in as of the date hereof by the Company, such Subsidiaries and such Acquiring Person or Associate or Affiliate, of assets having an aggregate fair market value of more than \$25,000,000.00, (5) receive any compensation from the Company or any of its Subsidiaries other than compensation for full-time employment as a regular employee at rates in accordance with past practices of the company or such Subsidiaries or (6) receive the benefit (except proportionately as a stockholder) of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantage provided by the Company or any of its Subsidiaries;

(B) during such time as there is an Acquiring Person, there shall be (1) any reclassification of securities of the Company, including any reverse stock split, (2) any recapitalization of the Company, (3) any merger or consolidation of the Company with any of its Subsidiaries or (4) any other transaction or series of transactions (whether or not with or into or otherwise involving an Acquiring Person), which has the effect, directly or indirectly, of increasing by more than 1% the proportionate share of the outstanding shares of any class of equity securities or of securities exercisable for or convertible into securities of the Company or any of its Subsidiaries which is directly or indirectly owned by an Acquiring Person or any Associate or Affiliate of any Acquiring Person;

(C) Any Person shall become an Acquiring Person;

(D) during such time as there is an Acquiring Person, (1) there shall be any reduction in the annual rate of dividends paid on the Common Shares (except as necessary for valid business reasons or to reflect any subdivision of the Common Shares or as required under the laws of the jurisdiction of incorporation of the Company) or (2) there shall be a failure to increase the annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding Common Shares (except as necessary for valid business reasons or except to the extent such increase in the rate of dividends would be prohibited under the laws of the jurisdiction of incorporation of the Company);

then in each such case proper provision shall be made so that each holder of a Right, except as provided in Section 7(e) and below, shall thereafter have a right to receive, upon exercise thereof for the Purchase Price in accordance with terms of this Rights Agreement, such number of Common Shares as shall equal the result obtained by multiplying the Purchase Price by a fraction, the numerator of which is the number of Common Shares for which a Right is then exercisable and the denominator of which is 50% of the Market Value of one Common Share on the date of the occurrence of such Triggering Event.

Notwithstanding any provision of this Rights Agreement, a Triggering Event shall not be deemed to have occurred solely as a result of (i) Ford or Kubota becoming the Beneficial Owner of Common Shares as permitted pursuant to (x) in the case of Ford, Section 3.2(a), Section 3.2(e) or Section 3.2(f) of the Ford Investment Agreement, or (y) in the case of Kubota, Section 3.2(a), Section 3.2(d) or Section 3.2(e) of the Kubota Investment Agreement or (ii) Ford becoming the Beneficial Owner of Common Shares as permitted by the Option Agreement.

(ii) If an event occurs which would require an adjustment under both Section 11(d)(i) and Section 11(a), (b) or (c), the adjustment provided for in Section 11(a), (b) or (c) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(d)(i); provided, however, that if a single event occurs that represents both a Triggering Event and a Business Combination, the Rights exercisable upon such event shall be exercisable only in a manner set forth in Section 13(a) and an adjustment shall be made pursuant to any paragraph of this Section 11.

(iii) In the event the Company shall not have sufficient authorized and unissued Common Shares or authorized and issued Common Shares held in its treasury to permit the exercise in full of the Rights in accordance with this Section 11(d), the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exercise of the Rights; provided, however, that if the Company is unable to cause the authorization of additional Common Shares within 60 days after the occurrence of a Triggering Event, then the Company, to the extent necessary and permitted by applicable law and any agreement or instruments in effect prior to the Distribution Date to which it is a party, shall upon due exercise of a Right and payment of the Purchase Price for each Common Share as to which such Right is exercised, distribute a combination of Common Shares, cash and/or other equity and/or debt securities (such combination being determined by a majority of the Disinterested Directors by the end of such 60-day period) having an aggregate value equal to the market price of the Common Shares which otherwise would have been issued pursuant to Section 11(d)(i), which value shall be determined by a nationally recognized investment banking firm selected by a majority of the Disinterested Directors. To the extent that any legal or contractual restrictions (pursuant to agreements or instruments in effect prior to the earlier of the Distribution Date or the occurrence of a Triggering Event to which it is a party) prevent

the Company from paying the full amount payable in accordance with the foregoing sentence, the Company shall pay to holders of the Rights as to which such payments are being made all amounts which are not then restricted on a pro rata basis and shall thereafter continue to make payments on a pro rata basis as such payments become permissible under such legal or contractual restrictions until such payments have been paid in full.

(e) All calculations under this Section 11 shall be made to the nearest ten-thousandth of a share.

(f) If as a result of an adjustment made pursuant to Section 11(a), the holder of any Right thereafter exercised shall become entitled to receive any securities of the Company other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Section 11(a), (b), (c) and (d), and the provisions of Sections 7, 9, 10 and 13 with respect to the Common Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the number of Common Shares or other securities relating to a Right shall evidence the right to purchase, for the Purchase Price, the adjusted number of shares or other securities purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Irrespective of any adjustment or change in the number of Common Shares or the number or kind of other securities issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the terms which were expressed in the initial Right Certificates issued hereunder.

(i) In any case in which this Section 11 shall require that an adjustment be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event issuing to the holder of any Right exercised after such record date the Common Shares and/or other securities of the Company, if any, issuable upon such exercise over and above the securities issuable before giving effect to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional securities upon the occurrence of the event requiring such adjustment.

SECTION 12. Certificate of Adjustment. Whenever an adjustment is made as provided in Section 11 or 13, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

SECTION 13. Consolidation, Merger or Sale or Transfer of Major Part of Assets. (a) In the event that, after the Distribution Date, any transaction specified in the following clauses (i), (ii) and (iii) (each such transaction being herein referred to as a "Business Combination") shall directly or indirectly be consummated:

(i) the Company shall consolidate with, or merge with or into, any other Person;

(ii) any Person shall merge with or into the Company and the Company shall be the surviving corporation in such merger and in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for capital stock or other securities of the Company or of any other Person or cash or any other property; or

(iii) the Company shall sell, lease, exchange or otherwise transfer or dispose of (or one or more of its Subsidiaries shall sell, lease, exchange or otherwise transfer or dispose of), in one or more transactions, the Major Part of the assets of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons;

then, in each such case proper provision shall be made so that each holder of a Right, except as provided in Section 7(e), shall thereafter have the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, the securities specified below:

(A) If the Principal Party in such Business Combination has Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, such number of Registered Common Shares of such Principal Party, free and clear of liens, encumbrances or other adverse claims, as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of one Registered Common Share of such Principal Party on the date of such Business Combination.

(B) If the Principal Party in such Business Combination does not have Registered Common Shares outstanding, any Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, at the election of the holder of such Right at the time of the exercise thereof, one of the following:

(1) such number of Common Shares of the Surviving Person in such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of such Surviving Person immediately after giving effect to such Business Combination;

(2) such number of Common Shares of the Principal Party in such Business Combination (if the Principal Party is not also the Surviving Person in such Business Combination) as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of the Principal Party immediately after giving effect to such Business Combination; or

(3) if the Principal Party in such Business Combination is an Affiliate of one or more Persons which has Registered Common Shares outstanding, such number of Registered Common Shares of whichever of such Affiliates of the Principal Party has Registered Common Shares with the greatest aggregate Market Value on the date of consummation of such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of each Registered Common Share of such Affiliate on the date of such Business Combination.

All Common Shares of any Person for which any Right may be exercised after consummation of a Business Combination as provided in this Section 13(a) shall, when issued upon exercise thereof in accordance with this Rights Agreement, be validly issued, fully paid and nonassessable and free of preemptive rights, rights of first refusal or any other restrictions or limitations on the transfer or ownership thereof.

(b) After consummation of any Business Combination (i) each issuer of Common Shares for which Rights may be exercised as set forth in Section 13(a) shall be liable for, and shall assume, by virtue of such Business Combination, all the obligations and duties of the Company pursuant to this Rights Agreement, (ii) the term "Company" shall thereafter be deemed to refer to each such issuer, (iii) each such issuer shall take such steps in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its Common shares thereafter deliverable upon the exercise of the Rights and (iv) the number of Common Shares of each such issuer thereafter receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Sections 11 and 13, and the provisions of Sections 7, 9, 10, 11 and 13 with respect to the Common Shares shall apply on like terms to the Common Shares of such issuer.

(c) The Company shall not consummate any Business

Combination unless each issuer for which Rights may be exercised as set forth in Section 13(a) shall have sufficient authorized Common Shares that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and each such issuer shall have:

(i) executed and delivered to the Rights Agent a supplemental agreement providing for the obligation of such issuer to issue Common Shares upon the exercise of Rights in accordance with the terms set forth in Sections 13(a) and (b) and further providing that, as soon as practicable after the date of such Business Combination, such issuer, at its own expense, will:

(A) prepare and file a registration statement under the Securities Act with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, will use its best efforts to cause such registration statement to become effective as soon as practicable after such filing and will use its best efforts to cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date;

(B) use its best efforts to qualify or register the Rights and the securities purchasable upon exercise of the Rights under the blue sky laws of such jurisdictions as may be necessary or appropriate; and

(C) use its best efforts to list the Rights and the securities purchasable upon exercise of the Rights on a national securities exchange;

(ii) furnished to the Rights Agent an opinion of independent counsel stating that such supplemental agreement is a valid, binding and enforceable agreement of such issuer; and

(iii) filed with the Rights Agent a certificate of a nationally recognized firm of independent accountants setting forth the number of Common Shares of such issuer which may be purchased upon the exercise of each Right after the consummation of such Business Combination.

(d) In the event a Business Combination shall be consummated at any time after the occurrence of a Triggering Event, the Rights that have not been exercised prior to such time shall thereafter become exercisable in the manner set forth in Section 13(a).

SECTION 14. Additional Covenants. (a) Notwithstanding any other provision of this Rights Agreement, no adjustment to the number of Common Shares (or fractions of a share) or other securities for which a Right is exercisable or the number of Rights outstanding or associated with each Common Share or any similar or other adjustment shall be made or be effective if such adjustment would have the effect of reducing or limiting the benefits the holders of the Rights would have had absent such adjustment, including, without limitation, the benefits under Sections 11(d) and 13, unless the terms of this Rights Agreement are amended so as to preserve such benefits.

(b) The Company covenants and agrees that it shall not effect any Business Combination if at the time of, or immediately after such Business Combination, there are any rights, options, warrants or other instruments outstanding which would diminish or otherwise eliminate the benefits intended to be afforded by the Rights.

(c) Without limiting the generality of Section 13, in the event the nature of the organization of any Person shall preclude or limit the acquisition of Common Shares of such Person upon exercise of the Rights as required by Section 13(a) as a result of a Business Combination, it shall be a condition to such Business Combination that such Person shall take such steps (including, but not limited to, a reorganization) as may be necessary to assure that the benefits intended to be derived under Section 13 upon the exercise of the Rights are assured to the holders thereof.

SECTION 15. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractional Rights or Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, the Company may pay to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 15(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any Trading Day shall be the last sale

price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to which Rights are listed or admitted to trading on a national securities exchange or, if on such Trading Day the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such Trading Day the Rights are not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board. If on any such Trading Day no such market maker is making a market in the Rights, the current market value of a whole Right shall be determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board.

(b) The Company shall not be required to issue fractional Common Shares upon exercise of the Rights or certificates which evidence fractional Common Shares. In lieu of fractional Common Shares, the Company may elect to (i) issue scrip or warrants in registered form (either represented by a certificate or uncertificated) or in bearer form (represented by a certificate) which shall entitle the holder to receive a full share upon the surrender of such scrip or warrants aggregating a full share or (ii) pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Common Share. For purposes of this Section 15(b), the current market value of one Common Share shall be the closing price of a Common Share (as determined pursuant to the second and third sentences of Section 1(s)) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional securities upon exercise of a Right.

SECTION 16. Rights of Action. (a) All rights of action in respect of this Rights Agreement are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Rights Agreement and shall be entitled to specific performance of the obligations of any Person under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Rights Agreement.

(b) Any holder of Rights who prevails in an action to enforce the provisions of this Rights Agreement shall be entitled to recover the reasonable costs and expenses, including attorneys' fees, incurred in such action.

SECTION 17. Transfer and Ownership of Rights and Right Certificates. (a) Prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares.

(b) After the Distribution Date, the Right Certificates will be transferable only on the registry books of the Rights Agent when surrendered at the principal corporate trust office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer.

(c) The Company and the Rights Agent may deem and treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificates or the associated certificate for Common Shares made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

SECTION 18. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be

entitled to vote, receive dividends or be deemed, for any purpose, the holder of Common Shares or other securities which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company, including, without limitation, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, to give or withhold consent to any corporate action, to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25), to receive dividends or other distributions or subscription rights or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

SECTION 19. Concerning the Rights Agent. (a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Rights Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Rights Agreement, including the costs and expenses of defending against any claim of liability arising therefrom, directly or indirectly.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Rights Agreement in reliance upon any Right Certificate or certificate for Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

SECTION 20. Merger or Consolidation or Change of Name of Rights Agent. (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Rights Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 22. In case at the time such successor Rights Agent shall succeed to the agency created by this Rights Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

SECTION 21. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Rights Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Rights Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person) be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the President, any Executive Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Rights Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except as to its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Rights Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or 13 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice of such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Common Shares or other securities for which a Right is exercisable to be issued pursuant to this Rights Agreement or any Right Certificate or as to whether any Common Shares or other securities for which a Right is exercisable will, when so issued, be validly authorized, issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Rights Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the President, the Executive Vice President, any Vice President, the Treasurer or the Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Rights Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct provided reasonable care was exercised in the selection and continued employment thereof.

SECTION 22. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Rights Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares by registered or certified mail and to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing,

mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares by registered or certified mail and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States, the State of Illinois, or the State of New York (or of any other state of the United States so long as such corporation is authorized to conduct a corporate trust business in either the State of New York or the State of Illinois), in good standing, having a principal office in either the State of New York or the State of Illinois, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50,000,000. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 22, however, or any defect therein shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

SECTION 23. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Rights Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board to reflect any adjustment or change made in accordance with the provisions of this Rights Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Right Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued and (ii) no such Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

SECTION 24. Redemption and Termination. (a) The Board may, at any time prior to the earliest of (i) the Distribution Date, (ii) the occurrence of a Triggering Event and (iii) the Expiration Date, order the redemption of all, but not less than all, the then outstanding Rights at the Redemption Price. In addition, for a period of 10 Business Days following the occurrence of the Triggering Event set forth in Clause (C) of Section 11(d) (i) involving the acquisition by an Acquiring Person of Beneficial Ownership of not more than 50% of the then outstanding Common Shares, the Board, with the approval of the majority of the Disinterested Directors, may order the redemption of all, but not less than all, the then outstanding Rights at the Redemption Price; provided that simultaneously with such redemption there are issued to the holders of Rights (other than Rights which shall have become null and void pursuant to Section 7(e) of this Rights Agreement) new Rights which are immediately exercisable and which are identical to the Rights issued pursuant to this Rights Agreement except that such new Rights shall provide that each holder shall have a right to receive, upon exercise thereof and the payment of \$1, one Common Share, such number of Common Shares being subject to the adjustments set forth in Section 11 (other than the adjustments set forth in paragraph (d) thereof).

(b) Immediately upon the action of the Board ordering the

redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. Within 10 calendar days after the action of the Board ordering the redemption of the Rights, the Company shall give notice of such redemption to the holders of the then outstanding Rights by mailing such notice to all such holders at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the holder of Rights receives such notice. In any case, failure to give such notice by mail, or any defect in the notice, to any particular holder of Rights shall not affect the sufficiency of the notice to other holders of Rights.

SECTION 25. Notice of Certain Events. (a) In case the Company shall propose (i) to take any action of the type described in Section 11(a), (b) or (c) that would require an adjustment thereunder, (ii) to effect any Business Combination or (iii) to effect the liquidation, dissolution or winding up of the Company, then, in such case, the Company shall give notice of such proposed action to each holder of a Right Certificate, which notice shall specify any record date for the purposes of determining any participation therein by the holders of the Common Shares or the date on which such action is to take place and the date of any participation therein by the holders of the Common Shares, if any such date is to be fixed, and such notice shall be so given at least 20 calendar days prior to any such record date, the taking of such action or the date of participation therein by the holders of the Common Shares, whichever shall be the earliest.

(b) In case a Triggering Event shall occur, then, in any such case, the Company shall as soon as practicable thereafter give notice of the occurrence of such Triggering Event to each holder of a Right Certificate, which notice shall specify the Triggering Event and the consequences of such Triggering Event to holders of Rights under Section 11(d).

SECTION 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Cummins Engine Company, Inc.
Box 3005
Columbus, Indiana 47202-3005
Attention: Secretary

Subject to the provisions of Section 22, any notice or demand authorized by this Rights Agreement to be given or made by the Company or the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Shareholder Services Department

Notices or demands authorized by this Rights Agreement to be given or made by the Company or the Rights Agent to any holder of a Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares.

SECTION 27. Supplements and Amendments. At any time prior to the earlier of the Distribution Date or the occurrence of a Triggering Event, the Company may, and the Rights Agent shall if the Company so directs, supplement or amend any provision of this Rights Agreement without the approval of any holder of the Rights (including, without limitation, the time when the Distribution Date shall occur); provided that, on and after the Tender Offer Date, this Rights Agreement may be supplemented or amended only by a majority of the Disinterested Directors then in office. After the earlier of the Distribution Date or the occurrence of a Triggering Event, and subject to applicable law, the Company may, and the Rights Agent shall if the Company so directs, amend this Rights Agreement without the approval of any holders of Right Certificates (i) to cure any ambiguity or to correct or supplement any provision contained herein which may be

defective or inconsistent with any other provision of this Rights Agreement or (ii) to make any other provisions in regard to matters or questions arising hereunder which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). No supplement or amendment to this Rights Agreement shall be made which changes the Purchase Price or the Redemption Price or provides for an earlier Expiration Date. Upon the delivery of a certificate from an appropriate officer of the Company which states that a proposed supplement or amendment to this Rights Agreement is in compliance with the provisions of this Section 27, the Rights Agent shall execute such supplement or amendment.

SECTION 28. Successors. All the covenants and provisions of this Rights Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 29. Benefits of This Rights Agreement; Determinations and Actions by the Board, etc. (a) Nothing in this Rights Agreement shall be construed to give to any person or corporation other than the Company, the Rights Agent and the registered holders of the Right Certificates (prior to the Distribution Date, the registered holders of the Common Shares) any legal or equitable right, remedy or claim under this Rights Agreement; but this Rights Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (prior to the Distribution Date, the registered holders of the Common Shares).

(b) Any action required under this Rights Agreement to be approved by a majority of the Disinterested Directors shall also be required to be approved by a majority of the Board. The Board (except where approval of the Disinterested Directors is specifically provided for herein) shall have the exclusive power and authority to administer this Rights Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Rights Agreement, including, without limitation, the right and power to (i) interpret the provision of this Rights Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Rights Agreement (including a determination to redeem or not redeem the Rights or to amend this Rights Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board (subject, where specifically provided for herein, to the approval of the Disinterested Directors) in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties and (y) not subject the Board or the Disinterested Directors to any liability to the holders of the Rights. In making any determinations under this Rights Agreement, the Board may consider and weigh as it deems appropriate the interests of shareholders, employees, suppliers and customers of the Company, communities in which the Company does business, and any other factors the Board considers pertinent.

SECTION 30. Severability. If any term, provision, covenant or restriction of this Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Rights Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 31. Governing Law. This Rights Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Indiana and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

SECTION 32. Descriptive Headings. Descriptive headings of the several Sections of this Rights Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Rights Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Rights Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

CUMMINS ENGINE COMPANY, INC.,

By: /s/ James A. Henderson

James A. Henderson
Chairman of the Board and
Chief Executive Officer

[Seal]

Attest:

/s/ Mark R. Gerstle

Mark R. Gerstle

THE FIRST NATIONAL BANK OF CHICAGO,
as Rights Agent,

By: /s/ Michael R. Phalen

Michael R. Phalen
Vice President

[Seal]

Attest:

/s/ R. Wiencek

R. Wiencek

RIGHTS AGREEMENT dated as of September 9, 1986, amended and restated as of July 9, 1996, between CUMMINS ENGINE COMPANY, INC., between CUMMINS ENGINE COMPANY, INC., an Indiana corporation (the "Company"), and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, as Rights Agent (the "Rights Agent").

WHEREAS, the Company and the Rights Agent entered into that certain Rights Agreement dated as of September 9, 1986 (as amended, the "Rights Agreement"); and

WHEREAS, the Company and the Rights Agent amended the Rights Agreement on December 13, 1988 (Amendment No. 1), April 4, 1989 (Amendment No. 2), August 8, 1989 (Amendment No. 3), July 13, 1990 (Amendment No. 4), October 9, 1990 (Amendment No. 5), October 12, 1993 (Amendment No. 6), December 29, 1993 (Amendment No. 7) and July 9, 1996 (Amendment No. 8).

NOW THEREFORE, the Rights Agreement is restated to reflect such amendments as follows:

The Board of Directors of the Company (the "Board") has authorized and declared a dividend of one Right (as hereinafter defined) for each share of Common Stock, par value \$2.50 per share, of the Company (the "Common Stock") outstanding on September 19, 1986 (the "Record Date"), and has authorized the issuance of one Right (subject to adjustment from time to time as provided in Section 11) with respect to each share of Common Stock that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Expiration Date (as such terms are hereinafter defined); provided, however, that Rights may be issued with respect to shares of Common Stock that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date in accordance with the provisions of Section 23. Each Right shall initially represent the right to purchase one share of Common Stock.

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

SECTION 1. Certain Definitions. For purposes of this Rights Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall after the acquisition by such Person (or by such Person's Affiliates or Associates) on or after July 16, 1990 of Beneficial Ownership of Common Shares be the Beneficial Owner of 15% or more of the Common Shares then outstanding (the number of Common Shares then outstanding being the number set forth in the then most recently available filing by the Company pursuant to the Exchange Act) but shall not include (i) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan; (ii) any Person who becomes a Beneficial Owner of 15% or more of the Common Shares then outstanding and who, within five Business Days of the public announcement by the Company or such Person that such Person has acquired such Beneficial Ownership, divests itself of a sufficient number of Common Shares so that it is no longer the Beneficial Owner of 15% or more of the then outstanding Common Shares; (iii) Ford Motor Company, a Delaware corporation ("Ford"), provided that Ford does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to Section 3.2(a)(i), Section 3.2(e) or Section 3.2(f) of the Investment Agreement between the Company and Ford dated as of July 16, 1990 (the "Ford Investment Agreement"), or pursuant to the Option Agreement (as defined in such Investment Agreement); or (iv) Kubota Corporation, a Japanese corporation ("Kubota"), provided that Kubota does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to Section 3.2(a)(i), Section 3.2(d) or Section 3.2(e) of the Investment Agreement between the Company and Kubota dated as of July 16, 1990 (the "Kubota Investment Agreement").

(b) "Affiliate" and "Associate", when used with reference to any Person, shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on the date hereof.

(c) A Person shall be deemed the "Beneficial Owner" of, and

shall be deemed to "beneficially own", any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights (other than rights issuable under this Rights Agreement), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange thereunder; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (B) of subparagraph (ii) of this paragraph (c)) or disposing of any securities of the Company.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Book Value" when used with reference to Common Shares issued by any Person shall mean the amount of equity of such Person applicable to each Common Share, determined (i) in accordance with generally accepted accounting principles in effect on the date as of which such Book Value is to be determined, (ii) using all the consolidated assets and all the consolidated liabilities of such Person on the date as of which such Book Value is to be determined, except that no value shall be included in such assets for goodwill arising from consummation of a Business Combination, and (iii) after giving effect to (A) the exercise of all rights, options and warrants to purchase such Common Shares (other than the Rights) and the conversion of all securities convertible into such Common Shares, at an exercise or conversion price, per Common Share, which is less than such Book Value before giving effect to such exercise or conversion, (B) all dividends and other distributions on the capital stock of such Person declared prior to the date as of which such Book Value is to be determined and to be paid or made after such date and (C) any other agreement, arrangement, understanding, transaction or other action prior to the date as of which such Book Value is to be determined which would have the effect of thereafter reducing such Book Value.

(f) "Business Combination" shall have the meaning set forth in Section 13(a).

(g) "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the Borough of Manhattan, The City of New York, are authorized or obligated by law or executive order to close.

(h) "Close of Business" on any given date shall mean 5:00 p.m., New York City time, on such date; provided, however, that if such date is not a Business Day, "Close of Business" shall mean 5:00 p.m., New York City time, on the next succeeding Business Day.

(i) "Common Shares" when used with reference to the Company prior to a Business Combination shall mean the shares of Common Stock or any other shares of capital stock of the Company into which the Common Stock shall be reclassified or changed. "Common Shares" when used with reference to any Person (other than the Company prior to a Business Combination) shall mean shares of capital stock of such Person (if such Person is a corporation) of any class or series, or units of equity interests in such Person (if such Person is not a corporation) of any class or series, the terms of which do not limit (as a fixed amount and not merely in proportional terms) the amount of dividends or income payable or distributable on such class or series or the amount of assets distributable on such class or series upon any voluntary or involuntary liquidation, dissolution or winding up of such Person and

do not provide that such class or series is subject to redemption at the option of such Person, or any shares of capital stock or units of equity interests into which the foregoing shall be reclassified or changed; provided, however, that if at any time there shall be more than one such class or series of capital stock or equity interests in such Person, "Common Shares" of such Person shall include all such classes and series substantially in the proportion of the total number of shares or other units of each such class or series outstanding at such time.

(j) "Common Stock" shall mean the Common Stock, par value \$2.50 per share, of the Company.

(k) "Company" shall mean Cummins Engine Company, Inc., an Indiana corporation; provided, however, that if there is a Business Combination, "Company" shall have the meaning set forth in Section 13(b).

(l) The term "control", with respect to any Person shall mean the power to direct the management and policies of such Person, directly or indirectly, by or through stock ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other Persons by or through stock ownership, agency or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(m) "Disinterested Director" shall mean any member of the Board (i) who is not an officer or employee of the Company or any of its Subsidiaries, (ii) who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person or a nominee or representative of an Acquiring Person or of any such Affiliate or Associate and (iii) who was a member of the Board prior to the Share Acquisition Date or was recommended for election or elected by a majority of the Disinterested Directors then on the Board.

(n) "Distribution Date" shall mean the Close of Business on the tenth Business Day after the earlier of (i) the Share Acquisition Date or (ii) the Tender Offer Date.

(o) "Equivalent Shares" shall mean any class or series of capital stock of the Company, other than Common Shares, which is entitled to participate in dividends and other distributions, including distributions upon the liquidation, dissolution or winding up of the Company on a proportional basis with the Common Shares. In calculating the number of any class or series of Equivalent Shares for purposes of Section 11, the number of shares, or fractions of a share, of such class or series of capital stock that is entitled to the same dividend or distribution as a whole Common Share shall be deemed to be one share.

(p) "Exchange Act" shall mean the Securities Exchange Act of 1934, as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(q) "Expiration Date" shall mean the Close of Business on September 30, 2006.

(r) "Major Part" when used with reference to the assets of the Company and its Subsidiaries as of any date shall mean assets (i) having a fair market value aggregating 50% or more of the total fair market value of all the assets of the Company and its Subsidiaries (taken as a whole) as of the date in question, (ii) accounting for 50% or more of the total value (net of depreciation and amortization) of all the assets of the Company and its Subsidiaries (taken as a whole) as would be shown on a consolidated or combined balance sheet of the Company and its Subsidiaries as of the date in question, prepared in accordance with generally accepted accounting principles then in effect, or (iii) accounting for 50% or more of the total amount of net income of the Company and its Subsidiaries (taken as a whole) as would be shown on a consolidated or combined statement of income of the Company and its Subsidiaries for the period of 12 months ending on the last day of the month next preceding the date in question, prepared in accordance with generally accepted accounting principles then in effect.

(s) "Market Value" when used with reference to the Common Shares on any date shall be deemed to be the average of the daily closing prices, per Common Share, for the 30 consecutive Trading Days immediately prior to the date in question; provided, however, that in the event that the Market Value of such Common Shares is to be determined in whole or in part during a period following the announcement by the issuer of such Common Shares of any dividend, distribution or other action of the type described in Section 11(a), (b) or (c) which would require an adjustment thereunder, then in each

such case the Market Value of such Common Shares shall be appropriately adjusted to reflect the effect of such action on the market price of such Common Shares. The closing price for each Trading Day shall be the last sale price, regular way, or, in case no such sale takes place on such Trading Day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to which such Common Shares are listed or admitted to trading on a national securities exchange or, if such Common Shares are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or such other system then in use, or, if on any such Trading Day such Common Shares are not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Common Shares selected by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board. If on any such Trading Day no such market maker is making a market in such Common Shares, the closing price of such Common Shares on such Trading Day shall mean the fair value of such Common Shares as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board (whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent, the holders of Rights and all other Persons). For purposes of this paragraph (s), the term Common Shares shall include Equivalent Shares.

(t) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(u) "Principal Party" shall mean the Surviving Person in a Business Combination; provided, however, that if such Surviving Person is a direct or indirect Subsidiary of any other Person, "Principal Party" shall mean the Person which is the ultimate parent of such Surviving Person and which is not itself a Subsidiary of another Person. In the event ultimate control of such Surviving Person is shared by two or more Persons, "Principal Party" shall mean that Person that is immediately controlled by such two or more Persons.

(v) "Purchase Price" with respect to each whole Right shall mean \$200 and shall be payable in lawful money of the United States of America.

(w) "Record Date" shall mean September 19, 1986.

(x) "Redemption Date" shall mean the Close of Business on the date as of which the Rights are ordered to be redeemed by the Board as provided in Section 24(a).

(y) "Redemption Price" shall mean \$0.01 per whole Right.

(z) "Registered Common Shares" shall mean Common Shares which are, as of the date of consummation of a Business Combination, and have been continuously registered under Section 12 of the Exchange Act during the preceding 12 months.

(aa) "Right Certificate" shall mean a certificate evidencing a Right in substantially the form attached hereto as Exhibit A.

(bb) "Rights" shall mean the rights to purchase Common Shares as provided in this Rights Agreement.

(cc) "Securities Act" shall mean the Securities Act of 1933 as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(dd) "Share Acquisition Date" shall mean the first date of public disclosure by the Company or an Acquiring Person that a Person has become an Acquiring Person.

(ee) "Subsidiary" shall mean a Person, a majority of the total outstanding Voting Power of which is owned, directly or indirectly, by another Person or by one or more other Subsidiaries of such other Person or by such other Person and one or more other Subsidiaries of such other Person.

(ff) "Summary of Rights" shall mean the Summary of Rights To Purchase Common Stock of Cummins Engine Company, Inc., in substantially the form attached hereto as Exhibit B.

(gg) "Surviving Person" shall mean (1) the Person which is the continuing or surviving Person in a consolidation or merger specified in Section 13(a)(i) or (ii) or (2) the Person to which the

Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in a transaction specified in Section 13(a)(iii); provided, however, that if the Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in one or more related transactions specified in Section 13(a)(iii) to more than one Person, the "Surviving Person" in such case shall mean the Person that acquired assets of the Company and/or its Subsidiaries with the greatest fair market value in such transaction or transactions.

(hh) "Tender Offer Date" shall mean the first date of the commencement of, or first public disclosure of the intent of any Person (other than (x) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan, (y) Ford in connection with its making of an offer in accordance with Section 3.2(a)(i) or Section 3.2(f) of the Ford Investment Agreement, or (z) Kubota in connection with its making of an offer in accordance with the final provision of Section 3.2(a)(i) of Section 3.2(e) of the Kubota Investment Agreement) to commence a tender or exchange offer for 20% or more of the outstanding Common Shares (including any such date which is after the date of this Rights Agreement and prior to the issuance of the Rights).

(ii) "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Shares, Equivalent Shares or Rights, as the case may be, are listed or admitted to trading is open for the transaction of business or, if the Shares or Rights in question are not listed or admitted to trading on any national securities exchange, a Business Day.

(jj) "Triggering Event" shall have the meaning set forth in Section 11(d)(i).

(kk) "Voting Power" when used with reference to the capital stock of, or units of equity interests in, any Person shall mean the power under ordinary circumstances (and not merely upon the happening of a contingency) to vote in the election of directors of such Person (if such Person is a corporation) or to participate in the management and control of such Person (if such Person is not a corporation).

SECTION 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights (who prior to the Distribution Date shall also be the holders of the Common Shares) in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint one or more co-Rights Agents as it may deem necessary or desirable (the term "Rights Agent" being used herein to refer, collectively, to the Rights Agent together with any such co-Rights Agents. In the event the Company appoints one or more co-Rights Agents, the respective duties of the Rights Agent and any co-Rights Agents shall be as the Company shall determine.

SECTION 3. Issue of Right Certificates. (a) Until the Distribution Date, (i) the Rights will be evidenced by the certificates for Common Shares registered in the names of the holders thereof (which certificates for Common Shares shall also be deemed to be Right Certificates) and not by separate Right Certificates, and (ii) the right to receive Right Certificates will be transferable only in connection with the transfer of Common Shares. As soon as practicable after the Company has notified the Rights Agent of the occurrence of the Distribution Date, the Rights Agent will send, by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate, evidencing one Right (as adjusted from time to time prior to the Distribution Date as provided in Section 11) for each Common Share so held. After the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) On the Record Date or as soon as practicable thereafter, the Company will send a copy of the Summary of Rights, in substantially the form attached hereto as Exhibit B, by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date at the address of such holder shown on the records of the Company. With respect to certificates for Common Shares outstanding as of the Record Date, until the Distribution Date the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates with or without a copy of the Summary of Rights attached thereto and the registered holders of the Common Shares shall also be the registered holders of the associated Rights. Until the earliest of the Distribution Date, the Redemption Date or the Expiration Date, the transfer of any of the certificates for the Common Shares outstanding on the Record Date, even without a copy of the Summary of Rights attached thereto, shall also

constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

(c) Certificates for Common Shares issued after the Record Date, but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date, shall have printed on, written on or otherwise affixed to them a legend substantially in the following form:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement dated as of September 9, 1986 (the "Rights Agreement"), between Cummins Engine Company, Inc., and The First National Bank of Chicago, as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive office of Cummins Engine Company, Inc. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. Cummins Engine Company, Inc., will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, Rights beneficially owned by Acquiring Persons or their Affiliates or Associates (as such terms are defined in the Rights Agreement) may become null and void and any holder of any such Right (including any subsequent holder) shall not have any right to exercise such Rights.

With respect to certificates bearing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

SECTION 4. Form of Right Certificates. (a) The Right Certificates (and the form of election to purchase and form of assignment to be printed on the reverse side thereof) shall be in substantially the form attached hereto as Exhibit A and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Rights Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Sections 11, 13 and 23, the Right Certificates, when first issued, shall be dated as of the Distribution Date, and on their face shall entitle the holders thereof to purchase such number of Common Shares as shall be set forth therein at the Purchase Price set forth therein.

(b) Notwithstanding any other provision of this Rights Agreement, (i) any Right Certificate issued pursuant to Section 3(a) that represents Rights known by the Company to be beneficially owned by an Acquiring Person or any Affiliate or Associate of an Acquiring Person, (ii) any Right Certificate issued at any time upon the transfer of any Right to an Acquiring Person or Person known by the Company to be an Affiliate or Associate of an Acquiring Person or to any Person known by the Company to be a nominee of such Acquiring Person, Affiliate or Associate and (iii) any Right Certificate issued pursuant to Section 6, 11 or 23 upon transfer, exchange, replacement or adjustment of any other Right Certificate referred to in this sentence, shall contain a legend substantially in the following form:

The Rights represented by this Right Certificate are or were beneficially owned by a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person. Accordingly, this Right Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of the Rights Agreement.

SECTION 5. Execution, Countersignature and Registration.

(a) The Right Certificates shall be executed on behalf of the Company by the Chairman of the Board, the President, any Executive Vice President or the Vice President--General Counsel of the Company, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or any Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by the Rights Agent and shall not be valid or obligatory for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates

nevertheless may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate although at the date of the execution of this Rights Agreement any such person was not such an officer of the Company.

(b) After the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal corporate trust office in Chicago, Illinois, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced by each of the Right Certificates and the date of each of the Right Certificates.

SECTION 6. Transfer, Split-Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. (a) Subject to the provisions of Section 15, at any time after the Distribution Date, and at or prior to the earlier of the Redemption Date or the Expiration Date, any Right Certificate or Right Certificates may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates entitling the registered holder to purchase a like number of Common Shares as the Right Certificate or Right Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate shall make such request in writing delivered to the Rights Agent and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the principal corporate trust office of the Rights Agent. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them and, at the Company's request, reimbursement to the Company and the Rights Agent for all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will make a new Right Certificate of like tenor and deliver such new Right Certificate to the Rights Agent for delivery to the registered owner in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

SECTION 7. Exercise of Rights; Expiration Date of Rights.

(a) Each whole Right shall entitle the registered holder thereof, upon the exercise thereof as provided herein, to purchase, for the Purchase Price, at any time after the earlier of the Distribution Date or the occurrence of a Triggering Event (but not during such time as there is a right of redemption as provided in Section 24(a)), and at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date, one Common Share, subject to adjustment from time to time as provided in Sections 11 and 13.

(b) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date by surrendering the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at its principal corporate trust office in Chicago, Illinois, together with payment of the Purchase Price for each whole Right exercised, at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the Common Shares to be purchased together with an amount equal to any applicable transfer tax, in lawful money of the United States of America, in cash or by certified check or bank draft payable to the order of the Company, the Rights Agent shall thereupon promptly (i) requisition from any transfer agent of the Common Shares (or make available, if the Rights Agent is the transfer agent) certificates for the number of Common Shares to be purchased (the Company hereby irrevocably authorizes its transfer agent to comply with all such requests), (ii) requisition from the Company the amount of cash to be paid in lieu of issuing fractional shares in accordance with Section 15, (iii) cause the certificate for such Common Shares to be delivered to or upon the

order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder and (iv) deliver such cash to or upon the order of such holder.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equal in number to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 15.

(e) Notwithstanding anything in this Rights Agreement to the contrary, any Rights that are or were, at any time after the earlier of the Distribution Date or the occurrence of a Triggering Event, beneficially owned by an Acquiring Person or any Affiliate or Associate of an Acquiring Person shall become null and void upon the occurrence of a Triggering Event, and any holder of any such Right (including any subsequent holder) shall not have any right to exercise any such Right under this Rights Agreement after the occurrence of a Triggering Event.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to the registered holder of a Right Certificate upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates of such Beneficial Owner as the Company shall reasonably request.

SECTION 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any Right Certificate purchased or acquired by the Company. The Rights Agent shall deliver all canceled Right Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Right Certificates and in such case shall deliver a certificate of destruction thereof to the Company.

SECTION 9. Reservation and Availability of Common Shares.

(a) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares (subject to payment of the Purchase Price), be duly and validly authorized, issued, fully paid and nonassessable shares.

(b) So long as the Common Shares are listed on any national securities exchange, the Company covenants and agrees to use its best efforts to cause, from and after such time as the Rights become exercisable, all Common Shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) The Company further covenants and agrees that it will pay when due and payable any and all Federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of Right Certificates or of Common Shares upon the exercise of the Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or in respect of the issuance or delivery of certificates for Common Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise, nor shall the Company be required to transfer or deliver any Right Certificate or issue or deliver any certificates for Common Shares upon the exercise of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the satisfaction of the Company that no such tax is due.

SECTION 10. Common Shares Record Date. Each Person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable transfer taxes) was made; provided, however,

that if the date of such surrender and payment is a date upon which the Common Shares transfer books of the Company are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Shares transfer books of the Company are open.

SECTION 11. Adjustment of Number and Kind of Shares and Rights Outstanding. The number and kind of shares covered by each Right and, prior to the Distribution Date, the number of Rights associated with each Common Share are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Rights Agreement and prior to the Distribution Date (x) declare a dividend, or make a distribution, on its outstanding Common Shares payable in Common Shares, (y) subdivide (by a stock split or otherwise) or split the outstanding Common Shares into a larger number of Common Shares or (z) combine (by a reverse stock split or otherwise) the outstanding Common Shares into a smaller number of Common Shares then, in each such event, (1) each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares issuable upon the exercise of a Right immediately prior to such event by a fraction, the numerator of which shall be the number of Common Shares outstanding immediately after such event and the denominator of which shall be the number of Common Shares outstanding immediately prior to such event and (2) the number of Rights associated with each Common Share of the Company at the time of the record date for such dividend or distribution or the effective date of such subdivision or combination shall be adjusted so that the number of Rights thereafter associated with each such Common Share shall equal the result obtained by multiplying the number of Rights associated with each such Common Share immediately prior to such record date or effective date by a fraction, the numerator of which shall be the total number of such Common Shares outstanding immediately prior to such record date or effective date and the denominator of which shall be the total number of such Common Shares outstanding immediately following such record date or effective date.

(ii) In the event the Company shall at any time after the date of this Rights Agreement and prior to the Distribution Date issue any shares of its capital stock in a reclassification or change of the outstanding Common Shares (including any such reclassification or change in connection with a merger in which the Company is the surviving corporation), the number and kind of securities issuable upon the exercise of the Rights and the number of Rights associated with each security issued in such reclassification or change shall be appropriately adjusted to reflect such reclassification or change.

(iii) In the event the Company shall at any time after the Distribution Date authorize the occurrence of any of the events described in clause (x), (y) or (z) of Section 11(a) (i) or in Section 11(a) (ii), then, in each such event, the number and kind of securities issuable upon the exercise of the Rights shall be adjusted so that the holder of any Right exercised after such time shall be entitled to receive, for the Purchase Price, the aggregate number and kind of securities which such holder would have received on any such event if such holder had exercised such Right immediately prior to the occurrence of such event.

(b) If the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Common Shares or of any class or series of Equivalent Shares entitling such holders (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares or Equivalent Shares (or securities convertible into Common Shares or Equivalent Shares) at a price per share (or having a conversion price per share, if a security convertible into Common Shares or Equivalent Shares) less than the Market Value of one Common Share or Equivalent Share on such record date, each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares covered by a Right immediately prior to the record date by a fraction the numerator of which shall be the number of Common Shares and Equivalent Shares (if any) outstanding on such record date plus the number of additional Common Shares or Equivalent Shares, as the case may be, to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible) and the denominator of which shall be such outstanding number of Common Shares and Equivalent Shares (if any) plus the number of Common Shares or Equivalent Shares, as the case may be, which the aggregate offering price of the total number of Common Shares or Equivalent Shares, as the case may be, so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Market Value. In case such subscription price may be paid in a consideration, part or all of which

shall be in a form other than cash, the value of such consideration shall be as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board, whose determination shall be described in a statement filed with the Rights Agent. Common Shares and Equivalent Shares owned by or held for the account of the Company or any Subsidiary of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, each Right shall be adjusted to evidence the right to receive that number of Common Shares which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(c) If the Company shall fix a record date for the making of a distribution to all holders of the Common Shares or of any class or series of Equivalent Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of cash (other than a regular periodic cash dividend at a rate not in excess of 125% of the rate of the last regular cash dividend theretofore paid on the Common Shares), evidences of indebtedness, assets, securities (other than Common Shares) or subscription rights, options or warrants (excluding those referred to in Section 11(b)), each Right shall thereafter evidence the right to purchase, for the Purchase Price, that number of Common Shares obtained by multiplying the number of Common Shares covered by a Right immediately prior to the record date by a fraction the numerator of which shall be the Market Value of one Common Share or Equivalent Share on such record date and the denominator of which shall be such Market Value, less the fair market value (as determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, evidences of indebtedness, assets or securities so to be distributed or of such subscription rights, options or warrants applicable to one Common Share or Equivalent Share, as the case may be. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, each Right shall be adjusted to evidence the right to receive that number of Common Shares which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(d) (i) If any of the events described in the following clauses (A), (B), (C) or (D) of this Section 11(d) (i) (each such event being herein referred to as a "Triggering Event") shall occur:

(A) any Acquiring Person or any Affiliate or Associate of any Acquiring Person shall, directly or indirectly (1) merge into the Company or otherwise combine with the Company and the Company shall be the continuing or surviving corporation in such merger or combination and the Common Shares of the Company shall remain outstanding and unchanged, (2) transfer any assets to the Company or any of its Subsidiaries in exchange (in whole or in part) for shares of capital stock of the Company or any such Subsidiary or for securities exercisable for or convertible into shares of capital stock of the Company or any such Subsidiary or otherwise obtain from the Company or any such Subsidiary, with or without consideration, any additional shares of capital stock of the Company or any such Subsidiary or securities exercisable for or convertible into shares of capital stock of the Company or any such Subsidiary (other than as part of a pro rata distribution or offer to all holders of Common Shares or an issuance upon conversion of convertible securities of the Company or any such Subsidiary that were not acquired from the Company or any such Subsidiary), (3) sell, lease, exchange, mortgage, pledge or otherwise transfer to or with, or purchase or otherwise acquire from, the Company or any of its Subsidiaries, assets on terms and conditions less favorable to the Company than the Company would be able to obtain in an arm's-length negotiation with an unaffiliated third party, (4) engage in any transaction with the Company or any of its Subsidiaries involving the sale, purchase, lease, exchange, mortgage, pledge or transfer (in one transaction or series of transactions), other than in the ordinary course of business of one of the lines of business currently engaged in as of the date hereof by the Company, such Subsidiaries and such Acquiring Person or Associate or Affiliate, of assets having an aggregate fair market value of more than \$25,000,000.00, (5) receive any compensation from the Company or any of its Subsidiaries other than compensation for full-time employment as a regular employee at rates in accordance with past practices of the company or such Subsidiaries or (6) receive the benefit (except proportionately as a stockholder) of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantage provided by the Company or any of its Subsidiaries;

(B) during such time as there is an Acquiring Person, there shall be (1) any reclassification of securities of the Company, including any reverse stock split, (2) any recapitalization of the Company, (3) any merger or consolidation of the Company with any of its Subsidiaries or (4) any other transaction or series of transactions (whether or not with or into or otherwise involving an Acquiring Person), which has the effect, directly or indirectly, of increasing by more than 1% the proportionate share of the outstanding shares of any class of equity securities or of securities exercisable for or convertible into securities of the Company or any of its Subsidiaries which is directly or indirectly owned by an Acquiring Person or any Associate or Affiliate of any Acquiring Person;

(C) Any Person shall become an Acquiring Person;

(D) during such time as there is an Acquiring Person, (1) there shall be any reduction in the annual rate of dividends paid on the Common Shares (except as necessary for valid business reasons or to reflect any subdivision of the Common Shares or as required under the laws of the jurisdiction of incorporation of the Company) or (2) there shall be a failure to increase the annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding Common Shares (except as necessary for valid business reasons or except to the extent such increase in the rate of dividends would be prohibited under the laws of the jurisdiction of incorporation of the Company);

then in each such case proper provision shall be made so that each holder of a Right, except as provided in Section 7(e) and below, shall thereafter have a right to receive, upon exercise thereof for the Purchase Price in accordance with terms of this Rights Agreement, such number of Common Shares as shall equal the result obtained by multiplying the Purchase Price by a fraction, the numerator of which is the number of Common Shares for which a Right is then exercisable and the denominator of which is 50% of the Market Value of one Common Share on the date of the occurrence of such Triggering Event.

Notwithstanding any provision of this Rights Agreement, a Triggering Event shall not be deemed to have occurred solely as a result of (i) Ford or Kubota becoming the Beneficial Owner of Common Shares as permitted pursuant to (x) in the case of Ford, Section 3.2(a), Section 3.2(e) or Section 3.2(f) of the Ford Investment Agreement, or (y) in the case of Kubota, Section 3.2(a), Section 3.2(d) or Section 3.2(e) of the Kubota Investment Agreement or (ii) Ford becoming the Beneficial Owner of Common Shares as permitted by the Option Agreement.

(ii) If an event occurs which would require an adjustment under both Section 11(d)(i) and Section 11(a), (b) or (c), the adjustment provided for in Section 11(a), (b) or (c) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(d)(i); provided, however, that if a single event occurs that represents both a Triggering Event and a Business Combination, the Rights exercisable upon such event shall be exercisable only in a manner set forth in Section 13(a) and an adjustment shall be made pursuant to any paragraph of this Section 11.

(iii) In the event the Company shall not have sufficient authorized and unissued Common Shares or authorized and issued Common Shares held in its treasury to permit the exercise in full of the Rights in accordance with this Section 11(d), the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exercise of the Rights; provided, however, that if the Company is unable to cause the authorization of additional Common Shares within 60 days after the occurrence of a Triggering Event, then the Company, to the extent necessary and permitted by applicable law and any agreement or instruments in effect prior to the Distribution Date to which it is a party, shall upon due exercise of a Right and payment of the Purchase Price for each Common Share as to which such Right is exercised, distribute a combination of Common Shares, cash and/or other equity and/or debt securities (such combination being determined by a majority of the Disinterested Directors by the end of such 60-day period) having an aggregate value equal to the market price of the Common Shares which otherwise would have been issued pursuant to Section 11(d)(i), which value shall be determined by a nationally recognized investment banking firm selected by a majority of the Disinterested Directors. To the extent that any legal or contractual restrictions (pursuant to agreements or instruments in effect prior to the earlier of the Distribution Date or the occurrence of a Triggering Event to which it is a party) prevent

the Company from paying the full amount payable in accordance with the foregoing sentence, the Company shall pay to holders of the Rights as to which such payments are being made all amounts which are not then restricted on a pro rata basis and shall thereafter continue to make payments on a pro rata basis as such payments become permissible under such legal or contractual restrictions until such payments have been paid in full.

(e) All calculations under this Section 11 shall be made to the nearest ten-thousandth of a share.

(f) If as a result of an adjustment made pursuant to Section 11(a), the holder of any Right thereafter exercised shall become entitled to receive any securities of the Company other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Section 11(a), (b), (c) and (d), and the provisions of Sections 7, 9, 10 and 13 with respect to the Common Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the number of Common Shares or other securities relating to a Right shall evidence the right to purchase, for the Purchase Price, the adjusted number of shares or other securities purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Irrespective of any adjustment or change in the number of Common Shares or the number or kind of other securities issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the terms which were expressed in the initial Right Certificates issued hereunder.

(i) In any case in which this Section 11 shall require that an adjustment be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event issuing to the holder of any Right exercised after such record date the Common Shares and/or other securities of the Company, if any, issuable upon such exercise over and above the securities issuable before giving effect to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional securities upon the occurrence of the event requiring such adjustment.

SECTION 12. Certificate of Adjustment. Whenever an adjustment is made as provided in Section 11 or 13, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

SECTION 13. Consolidation, Merger or Sale or Transfer of Major Part of Assets. (a) In the event that, after the Distribution Date, any transaction specified in the following clauses (i), (ii) and (iii) (each such transaction being herein referred to as a "Business Combination") shall directly or indirectly be consummated:

(i) the Company shall consolidate with, or merge with or into, any other Person;

(ii) any Person shall merge with or into the Company and the Company shall be the surviving corporation in such merger and in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for capital stock or other securities of the Company or of any other Person or cash or any other property; or

(iii) the Company shall sell, lease, exchange or otherwise transfer or dispose of (or one or more of its Subsidiaries shall sell, lease, exchange or otherwise transfer or dispose of), in one or more transactions, the Major Part of the assets of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons;

then, in each such case proper provision shall be made so that each holder of a Right, except as provided in Section 7(e), shall thereafter have the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, the securities specified below:

(A) If the Principal Party in such Business Combination has Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, such number of Registered Common Shares of such Principal Party, free and clear of liens, encumbrances or other adverse claims, as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of one Registered Common Share of such Principal Party on the date of such Business Combination.

(B) If the Principal Party in such Business Combination does not have Registered Common Shares outstanding, any Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, at the election of the holder of such Right at the time of the exercise thereof, one of the following:

(1) such number of Common Shares of the Surviving Person in such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of such Surviving Person immediately after giving effect to such Business Combination;

(2) such number of Common Shares of the Principal Party in such Business Combination (if the Principal Party is not also the Surviving Person in such Business Combination) as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of the Principal Party immediately after giving effect to such Business Combination; or

(3) if the Principal Party in such Business Combination is an Affiliate of one or more Persons which has Registered Common Shares outstanding, such number of Registered Common Shares of whichever of such Affiliates of the Principal Party has Registered Common Shares with the greatest aggregate Market Value on the date of consummation of such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of Common Shares for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of each Registered Common Share of such Affiliate on the date of such Business Combination.

All Common Shares of any Person for which any Right may be exercised after consummation of a Business Combination as provided in this Section 13(a) shall, when issued upon exercise thereof in accordance with this Rights Agreement, be validly issued, fully paid and nonassessable and free of preemptive rights, rights of first refusal or any other restrictions or limitations on the transfer or ownership thereof.

(b) After consummation of any Business Combination (i) each issuer of Common Shares for which Rights may be exercised as set forth in Section 13(a) shall be liable for, and shall assume, by virtue of such Business Combination, all the obligations and duties of the Company pursuant to this Rights Agreement, (ii) the term "Company" shall thereafter be deemed to refer to each such issuer, (iii) each such issuer shall take such steps in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its Common shares thereafter deliverable upon the exercise of the Rights and (iv) the number of Common Shares of each such issuer thereafter receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Sections 11 and 13, and the provisions of Sections 7, 9, 10, 11 and 13 with respect to the Common Shares shall apply on like terms to the Common Shares of such issuer.

(c) The Company shall not consummate any Business

Combination unless each issuer for which Rights may be exercised as set forth in Section 13(a) shall have sufficient authorized Common Shares that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and each such issuer shall have:

(i) executed and delivered to the Rights Agent a supplemental agreement providing for the obligation of such issuer to issue Common Shares upon the exercise of Rights in accordance with the terms set forth in Sections 13(a) and (b) and further providing that, as soon as practicable after the date of such Business Combination, such issuer, at its own expense, will:

(A) prepare and file a registration statement under the Securities Act with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, will use its best efforts to cause such registration statement to become effective as soon as practicable after such filing and will use its best efforts to cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date;

(B) use its best efforts to qualify or register the Rights and the securities purchasable upon exercise of the Rights under the blue sky laws of such jurisdictions as may be necessary or appropriate; and

(C) use its best efforts to list the Rights and the securities purchasable upon exercise of the Rights on a national securities exchange;

(ii) furnished to the Rights Agent an opinion of independent counsel stating that such supplemental agreement is a valid, binding and enforceable agreement of such issuer; and

(iii) filed with the Rights Agent a certificate of a nationally recognized firm of independent accountants setting forth the number of Common Shares of such issuer which may be purchased upon the exercise of each Right after the consummation of such Business Combination.

(d) In the event a Business Combination shall be consummated at any time after the occurrence of a Triggering Event, the Rights that have not been exercised prior to such time shall thereafter become exercisable in the manner set forth in Section 13(a).

SECTION 14. Additional Covenants. (a) Notwithstanding any other provision of this Rights Agreement, no adjustment to the number of Common Shares (or fractions of a share) or other securities for which a Right is exercisable or the number of Rights outstanding or associated with each Common Share or any similar or other adjustment shall be made or be effective if such adjustment would have the effect of reducing or limiting the benefits the holders of the Rights would have had absent such adjustment, including, without limitation, the benefits under Sections 11(d) and 13, unless the terms of this Rights Agreement are amended so as to preserve such benefits.

(b) The Company covenants and agrees that it shall not effect any Business Combination if at the time of, or immediately after such Business Combination, there are any rights, options, warrants or other instruments outstanding which would diminish or otherwise eliminate the benefits intended to be afforded by the Rights.

(c) Without limiting the generality of Section 13, in the event the nature of the organization of any Person shall preclude or limit the acquisition of Common Shares of such Person upon exercise of the Rights as required by Section 13(a) as a result of a Business Combination, it shall be a condition to such Business Combination that such Person shall take such steps (including, but not limited to, a reorganization) as may be necessary to assure that the benefits intended to be derived under Section 13 upon the exercise of the Rights are assured to the holders thereof.

SECTION 15. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractional Rights or Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, the Company may pay to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 15(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any Trading Day shall be the last sale

price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to which Rights are listed or admitted to trading on a national securities exchange or, if on such Trading Day the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such Trading Day the Rights are not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board. If on any such Trading Day no such market maker is making a market in the Rights, the current market value of a whole Right shall be determined in good faith by a majority of the Disinterested Directors or, if there are no Disinterested Directors, by the Board.

(b) The Company shall not be required to issue fractional Common Shares upon exercise of the Rights or certificates which evidence fractional Common Shares. In lieu of fractional Common Shares, the Company may elect to (i) issue scrip or warrants in registered form (either represented by a certificate or uncertificated) or in bearer form (represented by a certificate) which shall entitle the holder to receive a full share upon the surrender of such scrip or warrants aggregating a full share or (ii) pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Common Share. For purposes of this Section 15(b), the current market value of one Common Share shall be the closing price of a Common Share (as determined pursuant to the second and third sentences of Section 1(s)) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional securities upon exercise of a Right.

SECTION 16. Rights of Action. (a) All rights of action in respect of this Rights Agreement are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Rights Agreement and shall be entitled to specific performance of the obligations of any Person under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Rights Agreement.

(b) Any holder of Rights who prevails in an action to enforce the provisions of this Rights Agreement shall be entitled to recover the reasonable costs and expenses, including attorneys' fees, incurred in such action.

SECTION 17. Transfer and Ownership of Rights and Right Certificates. (a) Prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares.

(b) After the Distribution Date, the Right Certificates will be transferable only on the registry books of the Rights Agent when surrendered at the principal corporate trust office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer.

(c) The Company and the Rights Agent may deem and treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificates or the associated certificate for Common Shares made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

SECTION 18. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be

entitled to vote, receive dividends or be deemed, for any purpose, the holder of Common Shares or other securities which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company, including, without limitation, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, to give or withhold consent to any corporate action, to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25), to receive dividends or other distributions or subscription rights or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

SECTION 19. Concerning the Rights Agent. (a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Rights Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Rights Agreement, including the costs and expenses of defending against any claim of liability arising therefrom, directly or indirectly.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Rights Agreement in reliance upon any Right Certificate or certificate for Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

SECTION 20. Merger or Consolidation or Change of Name of Rights Agent. (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Rights Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 22. In case at the time such successor Rights Agent shall succeed to the agency created by this Rights Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

SECTION 21. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Rights Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Rights Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person) be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the President, any Executive Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Rights Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except as to its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Rights Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or 13 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice of such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Common Shares or other securities for which a Right is exercisable to be issued pursuant to this Rights Agreement or any Right Certificate or as to whether any Common Shares or other securities for which a Right is exercisable will, when so issued, be validly authorized, issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Rights Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the President, the Executive Vice President, any Vice President, the Treasurer or the Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Rights Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct provided reasonable care was exercised in the selection and continued employment thereof.

SECTION 22. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Rights Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares by registered or certified mail and to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing,

mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares by registered or certified mail and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States, the State of Illinois, or the State of New York (or of any other state of the United States so long as such corporation is authorized to conduct a corporate trust business in either the State of New York or the State of Illinois), in good standing, having a principal office in either the State of New York or the State of Illinois, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50,000,000. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 22, however, or any defect therein shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

SECTION 23. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Rights Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board to reflect any adjustment or change made in accordance with the provisions of this Rights Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Right Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued and (ii) no such Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

SECTION 24. Redemption and Termination. (a) The Board may, at any time prior to the earliest of (i) the Distribution Date, (ii) the occurrence of a Triggering Event and (iii) the Expiration Date, order the redemption of all, but not less than all, the then outstanding Rights at the Redemption Price. In addition, for a period of 10 Business Days following the occurrence of the Triggering Event set forth in Clause (C) of Section 11(d) (i) involving the acquisition by an Acquiring Person of Beneficial Ownership of not more than 50% of the then outstanding Common Shares, the Board, with the approval of the majority of the Disinterested Directors, may order the redemption of all, but not less than all, the then outstanding Rights at the Redemption Price; provided that simultaneously with such redemption there are issued to the holders of Rights (other than Rights which shall have become null and void pursuant to Section 7(e) of this Rights Agreement) new Rights which are immediately exercisable and which are identical to the Rights issued pursuant to this Rights Agreement except that such new Rights shall provide that each holder shall have a right to receive, upon exercise thereof and the payment of \$1, one Common Share, such number of Common Shares being subject to the adjustments set forth in Section 11 (other than the adjustments set forth in paragraph (d) thereof).

(b) Immediately upon the action of the Board ordering the

redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. Within 10 calendar days after the action of the Board ordering the redemption of the Rights, the Company shall give notice of such redemption to the holders of the then outstanding Rights by mailing such notice to all such holders at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the holder of Rights receives such notice. In any case, failure to give such notice by mail, or any defect in the notice, to any particular holder of Rights shall not affect the sufficiency of the notice to other holders of Rights.

SECTION 25. Notice of Certain Events. (a) In case the Company shall propose (i) to take any action of the type described in Section 11(a), (b) or (c) that would require an adjustment thereunder, (ii) to effect any Business Combination or (iii) to effect the liquidation, dissolution or winding up of the Company, then, in such case, the Company shall give notice of such proposed action to each holder of a Right Certificate, which notice shall specify any record date for the purposes of determining any participation therein by the holders of the Common Shares or the date on which such action is to take place and the date of any participation therein by the holders of the Common Shares, if any such date is to be fixed, and such notice shall be so given at least 20 calendar days prior to any such record date, the taking of such action or the date of participation therein by the holders of the Common Shares, whichever shall be the earliest.

(b) In case a Triggering Event shall occur, then, in any such case, the Company shall as soon as practicable thereafter give notice of the occurrence of such Triggering Event to each holder of a Right Certificate, which notice shall specify the Triggering Event and the consequences of such Triggering Event to holders of Rights under Section 11(d).

SECTION 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Cummins Engine Company, Inc.
Box 3005
Columbus, Indiana 47202-3005
Attention: Secretary

Subject to the provisions of Section 22, any notice or demand authorized by this Rights Agreement to be given or made by the Company or the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Shareholder Services Department

Notices or demands authorized by this Rights Agreement to be given or made by the Company or the Rights Agent to any holder of a Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares.

SECTION 27. Supplements and Amendments. At any time prior to the earlier of the Distribution Date or the occurrence of a Triggering Event, the Company may, and the Rights Agent shall if the Company so directs, supplement or amend any provision of this Rights Agreement without the approval of any holder of the Rights (including, without limitation, the time when the Distribution Date shall occur); provided that, on and after the Tender Offer Date, this Rights Agreement may be supplemented or amended only by a majority of the Disinterested Directors then in office. After the earlier of the Distribution Date or the occurrence of a Triggering Event, and subject to applicable law, the Company may, and the Rights Agent shall if the Company so directs, amend this Rights Agreement without the approval of any holders of Right Certificates (i) to cure any ambiguity or to correct or supplement any provision contained herein which may be

defective or inconsistent with any other provision of this Rights Agreement or (ii) to make any other provisions in regard to matters or questions arising hereunder which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). No supplement or amendment to this Rights Agreement shall be made which changes the Purchase Price or the Redemption Price or provides for an earlier Expiration Date. Upon the delivery of a certificate from an appropriate officer of the Company which states that a proposed supplement or amendment to this Rights Agreement is in compliance with the provisions of this Section 27, the Rights Agent shall execute such supplement or amendment.

SECTION 28. Successors. All the covenants and provisions of this Rights Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 29. Benefits of This Rights Agreement; Determinations and Actions by the Board, etc. (a) Nothing in this Rights Agreement shall be construed to give to any person or corporation other than the Company, the Rights Agent and the registered holders of the Right Certificates (prior to the Distribution Date, the registered holders of the Common Shares) any legal or equitable right, remedy or claim under this Rights Agreement; but this Rights Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (prior to the Distribution Date, the registered holders of the Common Shares).

(b) Any action required under this Rights Agreement to be approved by a majority of the Disinterested Directors shall also be required to be approved by a majority of the Board. The Board (except where approval of the Disinterested Directors is specifically provided for herein) shall have the exclusive power and authority to administer this Rights Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Rights Agreement, including, without limitation, the right and power to (i) interpret the provision of this Rights Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Rights Agreement (including a determination to redeem or not redeem the Rights or to amend this Rights Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board (subject, where specifically provided for herein, to the approval of the Disinterested Directors) in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties and (y) not subject the Board or the Disinterested Directors to any liability to the holders of the Rights. In making any determinations under this Rights Agreement, the Board may consider and weigh as it deems appropriate the interests of shareholders, employees, suppliers and customers of the Company, communities in which the Company does business, and any other factors the Board considers pertinent.

SECTION 30. Severability. If any term, provision, covenant or restriction of this Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Rights Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 31. Governing Law. This Rights Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Indiana and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

SECTION 32. Descriptive Headings. Descriptive headings of the several Sections of this Rights Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Rights Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Rights Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

CUMMINS ENGINE COMPANY, INC.,

By: /s/ James A. Henderson

James A. Henderson
Chairman of the Board and
Chief Executive Officer

[Seal]

Attest:

/s/ Mark R. Gerstle

Mark R. Gerstle

THE FIRST NATIONAL BANK OF CHICAGO,
as Rights Agent,

By: /s/ Michael R. Phalen

Michael R. Phalen
Vice President

[Seal]

Attest:

/s/ R. Wiencek

R. Wiencek