

CUMMINS INC  
Form DEF 14A  
April 07, 2006  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

**CUMMINS INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**



## CUMMINS INC.

500 JACKSON STREET, BOX 3005, COLUMBUS, INDIANA 47202-3005

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

*To Our Shareholders:*

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Cummins Inc. will be held at the Company's Technical Center located at 1900 McKinley Avenue, Columbus, Indiana, on Tuesday, May 9, 2006, at 11:00 a.m., local time, for the following purposes:

1. to elect nine directors of the Company for the ensuing year;
2. to ratify the appointment of PricewaterhouseCoopers LLP as auditors for the year 2006;
3. to transact any other business that may properly come before the meeting or any adjournment thereof.

Only shareholders of Common Stock of the Company of record at the close of business on March 20, 2006 are entitled to notice of and to vote at the meeting.

Shareholders of Common Stock who do not expect to be present in person at the meeting are urged to vote their shares by telephone, via the Internet, or by completing, signing and dating the enclosed proxy and returning it promptly in the envelope provided.

The proxy may be revoked by the shareholder giving it at any time before the voting. Except with respect to shares attributable to accounts held in the Cummins Inc. and Affiliates Retirement and Savings Plans, any shareholders entitled to vote at the meeting who attend the meeting will be entitled to cast their votes in person.

MARYA M. ROSE,  
*Secretary*

April 7, 2006

---

## CUMMINS INC.

500 JACKSON STREET, BOX 3005, COLUMBUS, INDIANA 47202-3005

### PROXY STATEMENT

This proxy statement is being furnished in connection with the solicitation by the Board of Directors of Cummins Inc. (the Company or Cummins ) of proxies to be voted at the Annual Meeting of Shareholders to be held on Tuesday, May 9, 2006, and at any adjournment thereof (the Annual Meeting ). This proxy statement, together with the enclosed proxy, is first being mailed to the shareholders of the Company on or about April 7, 2006.

Holders of the Company's Common Stock of record at the close of business on March 20, 2006 are entitled to vote at the Annual Meeting. On that date there were issued and outstanding 44,529,112 shares of Common Stock, each of which is entitled to one vote.

Each share of Common Stock represented by a properly executed proxy will be voted at the Annual Meeting in accordance with the instructions indicated on that proxy, unless such proxy has been previously revoked. If no instructions are indicated on a signed proxy, the shares represented by such proxy will be voted as recommended by the Board of Directors.

A shareholder may revoke the proxy at any time before it is voted by delivering to the Secretary of the Company written notice of such revocation. This notice must include the number of shares for which the proxy had been given and the name of the shareholder of such shares as it appears on the stock certificate(s) evidencing ownership of such shares. In addition, except with respect to shares attributable to accounts held in the Cummins Inc. and Affiliates Retirement and Savings Plans, any shareholder who has executed a proxy but is present at the Annual Meeting will be entitled to cast its vote in person instead of by proxy, thereby canceling the previously executed proxy.

---

**PRINCIPAL SECURITY OWNERSHIP**

The following table identifies those shareholders known to the Company to be the beneficial owners of more than five percent of the Common Stock of the Company and shows as to each such shareholder as of December 31, 2005 (i) the number of shares beneficially owned by such shareholder(s) and the nature of such beneficial ownership and (ii) the percentage of the entire class of Common Stock so beneficially owned:

	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
State Street Bank and Trust Company 225 Franklin Street Boston, MA 02110	6,318,806 (1)	14.19 %
Barclays Global Investors N/A 45 Fremont Street San Francisco, CA 94105	4,984,629 (2)	11.19 %
Lord, Abbett & Co. 90 Hudson St. Jersey City, NJ 07302	3,059,748 (3)	6.87 %
FMR Corporation 82 Devonshire Street Boston, MA 02109	2,615,281 (4)	5.87 %
LVS Asset Management 1 N. Wacker Drive, Suite 4000 Chicago, IL 60606	2,447,732 (5)	5.50 %
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	2,413,190 (6)	5.42 %

(1) The source of this information is a Schedule 13G dated February 13, 2006 disclosing beneficial ownership by State Street Bank and Trust Company. State Street discloses in its 13G that it has shared investment power for all of the shares, shared voting power for 4,335,168 shares, and sole voting power for 1,983,638 shares. State Street is the Trustee of certain employee benefit plans sponsored by the Company which are subject to ERISA. Shares of Common Stock are held in trust for the benefit of employees in the plans. As of December 31, 2005, the Trustee held 4,335,168 shares of Common Stock on behalf of the plans, some of which had not been allocated to plan participants. The plan Trustee votes unallocated shares and shares allocated to participants accounts as directed by participants. Shares of Common Stock held by the Trustee on behalf of the plans as to which participants have made no timely voting directions are voted by the plan Trustee in the same proportions as shares for which directions are received (subject to the Trustee's responsibilities under Section 404 of ERISA).

(2) The source of this information is a Schedule 13G dated January 31, 2006 disclosing beneficial ownership by Barclays Global Investors N/A. Barclays states in its 13G that it has sole investment power for all of the shares, sole voting power for 4,302,979 shares, and no shared investment or voting power.

(3) The source of this information is a Schedule 13G dated February 1, 2006 disclosing beneficial ownership by Lord, Abbett. The 13G states that Lord, Abbett has sole voting and investment powers with respect to all of the shares.

- (4) The source of this information is a Schedule 13G/A dated February 14, 2006 disclosing beneficial ownership by FMR. FMR states in its 13G/A that it has sole investment power for all of the shares, sole voting power for 637,781 shares, and no shared investment or voting power.
- (5) The source of this information is a Schedule 13G dated February 10, 2006 disclosing beneficial ownership by LVS Asset Management. LVS states in its 13G that it has sole investment power for 2,391,032 of the shares, sole voting power for 1,715,832 shares, and no shared investment or voting power.
- (6) The source of this information is a Schedule 13G dated February 6, 2006 disclosing beneficial ownership by Capital Research and Management Company. The number of shares reported includes 713,190 shares resulting from the assumed conversion of 678,000 shares of 7% Cummins Capital Trust I Convertible Preferred. The 13G states that Capital has sole investment power for all of the shares, sole voting power for 500,000 shares, and no shared investment or voting power.

**ELECTION OF DIRECTORS****(Item 1)**

It is intended that votes will be cast pursuant to the accompanying proxy for the election of the nine nominees listed in the following table, all of whom are presently directors of the Company. All directors will serve for the ensuing year and until their respective successors are elected and qualified. A shareholder may withhold authority from such shareholder's proxy to vote for the election of any or all of the nominees.

The Board of Directors has no reason to believe that any of the nominees will be unable to serve if elected. If, for any reason, one or more of such persons should be unable to serve, it is intended that votes will be cast for a substitute nominee or nominees designated by the Board of Directors unless the Board of Directors decides to reduce the number of directors.

The names of the nominees for directors, together with certain information regarding them, are set forth in the table. Biographical sketches of these nominees, which include their business experience during the past five years and directorships of other corporations, are provided on pages 26 through 28 of this proxy statement.

<b>Name and Occupation</b>	<b>Age</b>	<b>First Year Elected a Director</b>	<b>Amount and Nature of Beneficial Ownership as of March 20, 2006(1)</b>	<b>Percent of Class</b>	<b>Stock Units Held as of March 20, 2006(2)</b>	<b>Total</b>
Robert J. Darnall Retired Chairman and Chief Executive Officer of Inland Steel Industries, basic steel manufacturer, processor and distributor	68	1989	7,927	*	3,379	11,306
John M. Deutch Institute Professor, Massachusetts Institute of Technology	68	1997	9,679 (3)	*	0	9,679
Alexis M. Herman Chairman and Chief Executive Officer of New Ventures, independent consulting firm	58	2001	4,437	*	0	4,437
F. Joseph Loughrey President and Chief Operating Officer of Cummins	56	2005	79,388	*	0	79,388
William I. Miller Chairman and Chief Executive Officer of Irwin Financial Corporation, financial services company	49	1989	30,036	*	842	30,878
Georgia R. Nelson President and Chief Executive Officer of PTI Resources, LLC, independent consulting firm	56	2004	1,483	*	0	1,483