

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1994-01-10**
SEC Accession No. **0000899243-94-000003**

([HTML Version](#) on [secdatabase.com](#))

SUBJECT COMPANY

CUMMINS ENGINE CO INC

CIK: **26172** | IRS No.: **350257090** | State of Incorporation: **IN** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-10200** | Film No.: **94500866**
SIC: **3510** Engines & turbines

Mailing Address
*BOX 3005 MAIL CODE 60701
COLUMBUS IN 47202-3005*

Business Address
*500 JACKSON ST
BOX 3005 MAIL CODE 60701
COLUMBUS IN 47202-3005
8123775000*

FILED BY

TENNECO INC /DE/

CIK: **823549** | IRS No.: **760233548** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **SC 13D/A**
SIC: **3523** Farm machinery & equipment

Business Address
*TENNECO BLDG
1010 MILAM STREET
HOUSTON TX 77002
7137572131*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
UNDER
THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 1) *

CUMMINS ENGINE COMPANY, INC.
(NAME OF ISSUER)

COMMON STOCK, PAR VALUE \$2.50 PER SHARE
(TITLE OF CLASS OF SECURITIES) 231021 10 6
(CUSIP NUMBER)

M.W. MEYER
VICE PRESIDENT
AND DEPUTY GENERAL COUNSEL
TENNECO INC.
TENNECO BUILDING
HOUSTON, TEXAS 77002
(713) 757-2131
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS)

DECEMBER 29, 1993
(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box. []

Check the following box if a fee is being paid with the statement. [] (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class. See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of

securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

13D
CUSIP No. 231021 10 6

Page 2 of Pages

<TABLE>

<C> <S>

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Tenneco Inc.
76-0233548

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

</TABLE>

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

<TABLE>

<C> <S>

7 SOLE VOTING POWER
-0-

8 SHARED VOTING POWER
-0-

9 SOLE DISPOSITIVE POWER
-0-

</TABLE>

<TABLE>

<C> <S>

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
-0-

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.00%

14 TYPE OF REPORTING PERSON*
CO

</TABLE>

* SEE INSTRUCTIONS BEFORE FILLING OUT!

13D
CUSIP No. 231021 10 6

Page 3 of Pages

<TABLE>

<C> <S>

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Kern County Land Company
94-1651111

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)
[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

</TABLE>

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

<TABLE>

<C> <S>

7 SOLE VOTING POWER

-0-

8 SHARED VOTING POWER

-0-

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

-0-

</TABLE>

<TABLE>

<C> <S>

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

-0-

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

[_]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.00%

14 TYPE OF REPORTING PERSON*

CO

</TABLE>

* SEE INSTRUCTIONS BEFORE FILLING OUT!

13D

CUSIP No. 231021 10 6

Page 4 of Pages

<TABLE>

<C> <S>

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Case Corporation

74-1668960

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) [_]

(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

[_]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

</TABLE>

NUMBER OF

SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH
<TABLE>

<C>	<S>
7	SOLE VOTING POWER -0-

8	SHARED VOTING POWER -0-

9	SOLE DISPOSITIVE POWER -0-

10	SHARED DISPOSITIVE POWER -0-

</TABLE>

<TABLE>

<C>	<S>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON -0-

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.00%

14	TYPE OF REPORTING PERSON* CO

</TABLE>

* SEE INSTRUCTIONS BEFORE FILLING OUT!

ITEM 1. SECURITY AND ISSUER.

This statement relates to the common stock, par value \$2.50 per share (the "Common Stock"), of Cummins Engine Company, Inc., an Indiana corporation (the "Issuer"). The principal executive offices of the Issuer are located at 500 Jackson Street, Columbus, Indiana.

This Amendment No. 1 to Schedule 13D is being filed in accordance with Section 13(d)(2) of the Securities Exchange Act of 1934, as amended, to report the transfer by Tenneco Inc. ("Tenneco") of 3,200,000 shares of Common Stock of the Issuer. The original Schedule 13D was filed on July 30, 1990.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(c), (f) This statement is being filed by Tenneco Inc. ("Tenneco"), Kern County Land Company ("Kern County"), and Case Corporation ("Case"; Tenneco, Kern County and Case are hereinafter referred to collectively as the "Reporting Persons" and individually as a "Reporting Person"). Each Reporting Person was incorporated under the laws of the State of Delaware. The principal executive offices of Tenneco and Kern County are located at 1010 Milam Street, Houston,

Texas 77002, and Case has its principal executive office at 700 State Street, Racine, Wisconsin 53404.

Tenneco is a holding company conducting all of its operations through subsidiaries. The major interests of these subsidiaries are natural gas pipelines, farm and construction equipment, automotive parts, shipbuilding, packaging, and chemicals. The name, business address, citizenship and present principal occupation or employment of each of the directors and executive officers of Tenneco are set forth in Schedules I and II hereto.

Kern County is a holding company conducting all of its operations through subsidiaries. Its principal subsidiary is Case, which is engaged in the manufacture and sale of farm and construction equipment. It also has subsidiaries that are engaged in the sale of real estate. The name, business address, citizenship and present principal occupation or employment of each of the executive officers and directors of Kern County are set forth in Schedules III and IV.

Case, directly and through its subsidiaries, manufactures and sells a full line of farm equipment and light and medium-sized construction equipment. The name, business address, citizenship and present principal occupation or employment of each of the executive officers and directors of Case are set forth in Schedules V and VI.

(d) and (e) During the past five years, neither Tenneco, Kern County or Case nor, to their knowledge, any of their directors or executive officers has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

On or about July 16, 1990, Tenneco paid to the Issuer, out of its working capital, the sum of \$100,000,000 for one share of the Issuer's Series T Convertible Preference Stock (the "Series T Preference Stock"). Effective September 12, 1990, the Series T Preference Stock was converted into 1,600,000 shares of Common Stock, and on October 12, 1993, Tenneco received an additional 1,600,000 shares of Common Stock pursuant to a two-for-one stock split effected by the Issuer. The 3,200,000 shares of Common Stock acquired by Tenneco are herein referred to as the "Cummins Stock".

ITEM 4. PURPOSE OF TRANSACTION.

Tenneco acquired the Series T Preference Stock for investment under an Investment Agreement with the Issuer dated as of July 16, 1990 (the "Investment Agreement"). A copy of the Investment Agreement has been filed as Exhibit 1 to this statement and is incorporated herein by reference. The description herein of the Investment Agreement is qualified in its entirety by the complete text of Exhibit 1.

On or about July 13, 1990, the Issuer amended the Rights Agreement (the "Rights Agreement") (Exhibit 2 to this statement and incorporated herein by

reference), dated as of September 9, 1986, between the Issuer and the Rights Agent (as defined therein) to permit the acquisition by Tenneco of Common Stock of the Issuer as provided for in the Investment Agreement and agreed to make additional amendments thereto as provided in Section 3.1(h) of the Investment Agreement.

DISPOSITION OF THE CUMMINS STOCK

By the Consent and Amendment to Investment Agreement between Tenneco and the Issuer dated as of December 29, 1993 (the "Consent and Amendment"), a copy of which is filed as Exhibit 3 to this statement and is incorporated herein by reference, the Issuer consented to the following transfers of the Cummins Stock proposed by Tenneco:

1. From Tenneco to Kern County, a wholly-owned subsidiary of Tenneco;
2. From Kern County to Case, a wholly-owned subsidiary of Kern County;
3. From Case to the Bankers Trust Company, as trustee for the account of the Case Corporation Pension Plan for Hourly-Paid Employees (the "Plan"); and
4. From the Bankers Trust Company, as trustee for the account of the Plan, to Bankers Trust Company, as trustee of the Tenneco Inc. General Employee Benefit Trust (the "GEBT").

The Plan is a defined benefit pension plan for eligible hourly employees of Case. The GEBT is a trust which holds assets of the Plan and all other defined benefit pension plans maintained by Tenneco and its domestic subsidiaries.

On December 29, 1993, the transfers of the Cummins Stock contemplated by the Consent and Amendment were made, as a result of which the GEBT became the owner of the Cummins Stock. Simultaneously with each transfer described above, the respective transferee executed and delivered to Tenneco and the Issuer a Joinder in Agreement, copies of which are filed as Exhibits 4 through 7 to this Statement and are incorporated herein by reference. The Issuer is amending the Rights Agreement to permit the contribution by Tenneco of the Cummins Stock as provided for in the Consent and Amendment. The form of the amendment has been filed with this statement as Exhibit 8 and is incorporated herein by reference.

Pursuant to an Investment Management Agreement dated as of December 29, 1993, between Tenneco and Woodbridge Capital Management, Inc. ("Woodbridge"), Woodbridge, as an independent fiduciary representing the interests of the GEBT, will exercise the voting and other privileges applicable to shareholders of the Common Stock, subject only to Tenneco's agreement with the Issuer that the Cummins Stock be voted for the election of all nominees included in the Issuer's slate of directors at each shareholders' meeting of the Issuer. Further, Woodbridge will exercise the GEBT's right to designate a person for election to the Issuer's Board of Directors. A copy of the Investment Management Agreement is filed with this statement as Exhibit 9 and is incorporated herein by reference.

THE INVESTMENT AGREEMENT

The Investment Agreement set forth the terms and conditions under which Tenneco made its investment in the Issuer. The principal provisions of the Investment Agreement included the following:

- (i) Tenneco was entitled to designate one person for election to the Issuer's Board of Directors. Tenneco's designee on the Issuer's Board of

Directors is Dana G. Mead, President and Chief Operating Officer of Tenneco.

(ii) Section 3.2 of the Investment Agreement contains certain standstill, voting, sales and other restrictions applicable to Tenneco with respect to Voting Securities of the Issuer. Included among such

2

restrictions is a percentage limitation on shares of Voting Securities Tenneco may own during the term of the Agreement. Tenneco has agreed that it will not acquire, by purchase or otherwise, beneficial ownership of Voting Securities or any rights or options to acquire such beneficial ownership other than the shares of Common Stock issued to it upon conversion of the Series T Preference Stock; provided, however, that Tenneco may acquire Voting Securities (i) that are issued as dividends on securities which Tenneco is permitted to hold under the Investment Agreement and (ii) in order to prevent its ownership of Voting Securities from falling below 10.8% of all Voting Securities then outstanding (or a higher percentage as established in Section 3.1(e) of the Investment Agreement).

(iii) Tenneco agreed that it would not engage in certain activities, as described in Sections 3.2(a)(ii) through (ix), unless requested or permitted in writing in advance by the Issuer. For so long as Tenneco beneficially owned 5% or more of the Voting Securities, it agreed not to act in concert with Ford Motor Company and Kubota Corporation, each of which purchased convertible preference stock from the Issuer effective July 16, 1990, with respect to the activities set forth in Sections 3.2(a)(i) through (ix) of the Investment Agreement.

(iv) Tenneco agreed that it would not transfer any Voting Securities owned by it prior to July 16, 1996, except as permitted by Section 3.2(b) of the Investment Agreement.

(v) Tenneco agreed to vote its Voting Securities of the Issuer for the election of all nominees included in the Company's slate of directors at each shareholders' meeting of the Issuer. Tenneco was not otherwise restricted in the manner in which it could vote its Voting Securities on any matter submitted to the Issuer's shareholders.

(vi) The term of the Investment Agreement is for a minimum of six years and shall continue until the earlier to occur of (i) Tenneco ceasing to beneficially own at least 5.0% of the total voting power of all the then outstanding Voting Securities and (ii) ten years; provided, however, that certain provisions of the Investment Agreement, as set forth in Section 5.1 thereof, survive termination.

The above description of the Investment Agreement is qualified in its entirety by the complete text of Exhibit 1.

Pursuant to the Consent and Amendment, the transfer of the Cummins Stock to the GEBT on behalf of the Plan transferred to the GEBT all rights, obligations and covenants of Tenneco under the Investment Agreement, as amended by the Consent and Agreement. Additionally, Tenneco, Kern River, Case and the Plan continue to be bound by the provisions of the Investment Agreement, as so amended.

GENERAL

Except as stated above, neither Tenneco nor, to the best of its knowledge, any person identified in Schedule I has any plans or proposals as of the date hereof which relate to or would result in:

(1) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer;

(2) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;

(3) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;

(4) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(5) any material change in the present capitalization or dividend policy of the Issuer;

(6) any other material change in the Issuer's business or corporate structure;

(7) changes in the Issuer's charter or bylaws or other actions which may impede the acquisition of control of the Issuer by any person;

3

(8) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(9) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g) (4) of the Securities Exchange Act of 1934; or

(10) any action similar to any of those enumerated above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) None.

(b) Not applicable.

(c) In the past 60 days, neither Tenneco nor, to the best of its knowledge, any of its directors or executive officers has engaged in any transaction in the classes of securities covered by this statement except for the transaction herein reported on.

(d) See response to Item 4.

(e) As described in Item 4 above, on December 29, 1993, Tenneco ceased to be the beneficial owner of more than five percent of the class of securities covered by this statement.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Except as described in Item 4 above, neither Tenneco nor, to the best of its knowledge, any of its directors or executive officers has any contract, arrangement, understanding or relationship with any person with respect to any securities of the Issuer.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibits not incorporated by reference to a prior filing are designated by an asterisk; all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

<TABLE>

<C> <S>

- 1 --Investment Agreement between Tenneco Inc. and Cummins Engine Company, Inc. dated as of July 16, 1990 (Exhibit 1 to Schedule 13D filed on July 30, 1990).
- 2 --Amendment No. 4, dated as of July 13, 1990, to the Rights Agreement, dated as of September 9, 1986, between the Issuer and the Rights Agent (Exhibit 2 to Schedule 13D filed on July 30, 1990).
- *3 --Consent and Amendment to Investment Agreement between Tenneco Inc. and Cummins Engine Company, Inc. dated as of December 29, 1993.
- *4 --Joinder in Agreement between Tenneco Inc. and Kern County Land Company dated as of December 29, 1993.
- *5 --Joinder in Agreement between Tenneco Inc. and Case Corporation dated as of December 29, 1993.
- *6 --Joinder in Agreement between Tenneco Inc. and Bankers Trust Company, as Trustee of the Case Corporation Pension Plan for Hourly-Paid Employees dated as of December 29, 1993.
- *7 --Joinder in Agreement between Tenneco Inc. and Bankers Trust Company, as Trustee of the Tenneco Inc. General Employee Benefit Trust dated as of December 29, 1993.
- *8 --Amendment No. 7, dated as of December 29, 1993, to the Rights Agreement, dated as of September 9, 1986, between the Issuer and the Rights Agent.
- *9 --Investment Management Agreement dated as of December 29, 1993 between Tenneco Inc. and Woodbridge Capital Management, Inc.
- *10 --Agreement relating to joint filing of Schedule 13D.

</TABLE>

4

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

TENNECO INC.

M.W. Meyer

By: _____

M. W. Meyer
Vice President and Deputy
General Counsel

Dated: January 10, 1994

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

KERN COUNTY LAND COMPANY

M. W. Meyer

By: _____
M. W. Meyer

Vice President

Dated: January 10, 1994

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CASE CORPORATION

Robert G. Simpson

By: _____

Robert G. Simpson

Vice President and Assistant Secretary

Dated: January 10, 1994

SCHEDULE I

DIRECTORS OF TENNECO INC.

The following table sets forth the name, business address and present principal occupation or employment of each director of Tenneco Inc. Each such person is a citizen of the United States of America.

<TABLE>

<CAPTION>

NAME AND ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
-----	-----
<S> Michael H. Walsh P.O. Box 2511	<C> Chairman of the Board and Chief Executive Officer of Tenneco Inc.

Houston, Texas 77252-2511	
Mark Andrews	Chairman of Andrews Associates, Inc., a government consulting firm.
Suite 695	
2550 M Street, N.W.	
Washington, D.C. 20037	
W. Michael Blumenthal	Chairman of the Board and Chief Executive Officer of Lazard, Freres & Co.
1 Rockefeller Plaza, 32nd Floor	
New York, New York 10020	
M. Kathryn Eickhoff	President of Eickhoff Economics, Inc., a consulting firm.
Suite 400	
510 LaGuardia	
New York, New York 10012	
Peter T. Flawn	Former President of The University of Texas at Austin.
3718 Bridle Path	
Austin, Texas 78703	
Henry U. Harris, Jr.	Vice Chairman Emeritus of Smith Barney, Harris Upham & Co., Incorporated, an investment banking firm.
Smith Barney, Harris Upham & Co., Incorporated	
1345 Avenue of the Americas	
New York, New York 10105	
Belton K. Johnson	Engaged in farming, ranching and investments.
100 West Houston, Suite 1525	
San Antonio, Texas 78230	
John B. McCoy	Chairman and Chief Executive Officer of BANC ONE Corporation, a bank holding company.
100 East Broad Street	
16th Floor	
Columbus, Ohio 43271-0261	
Dana G. Mead	President and Chief Operating Officer of Tenneco Inc.
P. O. Box 2511	
Houston, Texas 77252-2511	
Joseph J. Sisco	Partner of Sisco Associates, a management consulting firm.
Sisco Associates	
1250 24th Street, N.W.	
Suite 875	
Washington, D.C. 20037	

</TABLE>

SCHEDULE II

EXECUTIVE OFFICERS OF TENNECO INC.

The following table sets forth the name and present principal occupation or employment of each executive officer of Tenneco Inc. Each such person is a citizen of the United States of America.

Unless otherwise indicated, the address of each officer is P. O. Box 2511, Houston, Texas 77252-2511.

<TABLE>
<CAPTION>

NAME AND ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
-----	-----
<C>	<S>
Michael H. Walsh.....	Chairman of the Board and Chief Executive Officer
Dana G. Mead.....	President and Chief Operating Officer
Theodore R. Tetzlaff.....	General Counsel

	Senior Vice President and Chief
Robert T. Blakely.....	Financial Officer
Stacy S. Dick.....	Senior Vice President--Strategy
Barry R. Schuman.....	Senior Vice President--Human Resources
	Vice President and Deputy General
Kenneth D. Allen.....	Counsel
	Vice President--Financial Analysis and
Matthew W. Appel.....	Planning
John J. Castellani.....	Vice President--Government Relations
James V. Faulkner, Jr.....	Vice President--Law
Arthur H. House.....	Vice President--Corporate Affairs
	Vice President and Deputy General
M. W. Meyer.....	Counsel
E. J. Milan.....	Vice President and Controller
Robert G. Simpson.....	Vice President--Tax
Karl A. Stewart.....	Vice President and Secretary
Richard L. Wambold.....	Vice President--Operations

SCHEDULE III

DIRECTORS OF KERN COUNTY LAND COMPANY

The following table sets forth the name, business address and present principal occupation or employment of each director of Kern County Land Company. Each such person is a citizen of the United States of America.

<TABLE>

<CAPTION>

NAME AND ADDRESS -----	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT -----
<S>	<C>
Dana G. Mead P. O. Box 2511 Houston, Texas 77252- 2511	President and Chief Operating Officer of Tenneco Inc.
Robert T. Blakely P.O. Box 2511 Houston, Texas 77252- 2511	Senior Vice President and Chief Financial Officer of Tenneco Inc.

SCHEDULE IV

EXECUTIVE OFFICERS OF KERN COUNTY LAND COMPANY

The following table sets forth the name and present principal occupation or employment of each executive officer of Kern County Land Company. Each such person is a citizen of the United States of America.

Unless otherwise indicated, the address of each officer is P. O. Box 2511, Houston, Texas 77252-2511.

<TABLE>

<CAPTION>

PRESENT PRINCIPAL OCCUPATION OR

NAME AND ADDRESS

EMPLOYMENT

NAME AND ADDRESS	EMPLOYMENT
<C>	<S>
Dana G. Mead.....	President and Chief Operating Officer of Tenneco Inc.
Robert T. Blakely.....	Senior Vice President and Chief Financial Officer of Tenneco Inc.
M. W. Meyer.....	Vice President and Deputy General Counsel of Tenneco Inc.
Robert G. Simpson.....	Vice President--Tax of Tenneco Inc. Vice President and Secretary of Tenneco Inc.
Karl A. Stewart.....	

SCHEDULE V

DIRECTORS OF CASE CORPORATION

The following table sets forth the name, business address and present principal occupation or employment of each director of Case Corporation. Each such person is a citizen of the United States of America.

<TABLE>

<CAPTION>

NAME AND ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
<S>	<C>
Dana G. Mead P. O. Box 2511 Houston, Texas 77252-2511	President and Chief Operating Officer of Tenneco Inc.
Theodore R. Tetzlaff P.O. Box 2511 Houston, Texas 77252-2511	General Counsel of Tenneco Inc.

SCHEDULE VI

EXECUTIVE OFFICERS OF CASE CORPORATION

The following table sets forth the name and present principal occupation or employment of each executive officer of Case Corporation. Each such person is a citizen of the United States of America.

Unless otherwise indicated, the address of each officer is 700 State Street, Racine, Wisconsin 53404.

<TABLE>

<CAPTION>

NAME AND ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
<S>	<C>
Dana G. Mead..... 1010 Milam Street Houston, Texas 77002	President and Chief Operating Officer of Tenneco Inc.

Edward J. Campbell.....	President
Steven G. Lamb.....	Executive Vice President
Peter Menikoff.....	Executive Vice President
Richard M. Christman.....	Senior Vice President
Thomas E. Evans.....	Senior Vice President
Theodore R. French.....	Senior Vice President, Chief Financial Officer and Treasurer
Kenneth Q. Kessler.....	Senior Vice President
Richard W. Krant, Jr.....	Senior Vice President
Victoria L. Rickey.....	Senior Vice President
Harold D. Boyanovsky.....	Vice President
Frank A. Brooke.....	Vice President
Jon R. Carlson.....	Vice President
Marc J. Castor.....	Vice President
Martin M. Dorio.....	Vice President
John E. Evard, Jr.....	Vice President
James L. Hatch.....	Vice President
Ruy R. Hirschheimer.....	Vice President
Herman F. Kosten.....	Vice President
Alfred J. Mulvey.....	Vice President
Ellen Robinson.....	Vice President
Dennis E. Schwieger.....	Vice President
Robert G. Simpson.....	Vice President--Tax of Tenneco Inc.
1010 Milam Street	
Houston, Texas 77002	
Karl A. Stewart.....	Vice President and Secretary of Tenneco Inc.
1010 Milam Street	
Houston, Texas 77002	

</TABLE>

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(AMENDMENT NO. 1)

CUMMINS ENGINE COMPANY, INC.
(NAME OF ISSUER)

COMMON STOCK, PAR VALUE \$2.50 PER SHARE
(TITLE OF CLASS OF SECURITIES)

231021 10 6
(CUSIP NUMBER)

EXHIBITS

INDEX OF EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGES
1	--Investment Agreement between Tenneco Inc. and Cummins Engine Company, Inc. dated as of July 16, 1990 (Exhibit 1 to Schedule 13D filed on July 30, 1990).	*
2	--Amendment No. 4, dated as of July 13, 1990, to the Rights Agreement, dated as of September 9, 1986, between the Issuer and the Rights Agent (Exhibit 2 to Schedule 13D filed on July 30, 1990).	*
3	--Consent and Amendment to Investment Agreement between Tenneco Inc. and Cummins Engine Company, Inc. dated as of December 29, 1993.	
4	--Joinder in Agreement between Tenneco Inc. and Kern County Land Company dated as of December 29, 1993.	
5	--Joinder in Agreement between Tenneco Inc. and Case Corporation dated as of December 29, 1993.	
6	--Joinder in Agreement between Tenneco Inc. and Bankers Trust Company, as Trustee of the Case Corporation Pension Plan for Hourly-Paid Employees dated as of December 29, 1993.	
7	--Joinder in Agreement between Tenneco Inc. and Bankers Trust Company, as Trustee of the Tenneco Inc. General Employee Benefit Trust dated as of December 29, 1993.	
8	--Amendment No. 7, dated as of December 29, 1993, to the Rights Agreement, dated as of September 9, 1986, between the Issuer and the Rights Agent.	
9	--Investment Management Agreement dated as of December 29, 1993 between Tenneco Inc. and Woodbridge Capital Management, Inc.	
10	--Agreement relating to joint filing of Schedule 13D.	

</TABLE>

* Exhibit incorporated by reference

CONSENT AND AMENDMENT TO
INVESTMENT AGREEMENT

This Consent and Amendment ("Consent and Amendment") dated as of December 29, 1993, by and between TENNECO INC., a Delaware corporation (the "Investor"), and CUMMINS ENGINE COMPANY, INC., an Indiana corporation (the "Company").

WHEREAS, the Investor and the Company are parties to the Investment Agreement dated as of July 16, 1990 (the "Investment Agreement"), pursuant to which the (i) Investor invested \$100,000,000 in securities of the Company, which securities, as of the date hereof, consist of 3,200,000 shares of Common Stock of the Company (the "Cummins Stock"), and (ii) the Investor acquired certain rights and undertook certain obligations;

WHEREAS, the Investment Agreement restricts the ability of the Investor to transfer the Cummins Stock; and

WHEREAS, the Investor proposes that the Cummins Stock be transferred to Bankers Trust Company, as trustee of the Tenneco Inc. General Employee Benefit Trust (the "Trust") (such trustee and any successor trustee, in their respective capacities as trustee, are referred to herein as the "Trustee", and all references herein to the Trustee shall be deemed to include the Trust) by means of the following successive transfers of the Cummins Stock:

First, from the Investor to Kern County Land Company ("Kern"), a wholly-owned subsidiary of the Investor;

Second, from Kern to Case Corporation ("Case"), a wholly-owned subsidiary of Kern; and

Third, from Case to the Trustee for the account of the Case Corporation Pension Plan for Hourly-Paid Employees (the "Case Hourly Plan").

The Company is willing to consent to such transfers (each a "Transfer" and collectively, the "Transfers") on the terms and subject to the conditions herein set forth. (Each of the transferees named above is referred to herein as a "Transferee" and collectively, as the "Transferees".) In connection with the proposed Transfers, the Investor and the Company are amending the Investment Agreement as hereafter set forth.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. Definitions. Except as modified in this Consent and Amendment, terms used herein that are defined in the Investment Agreement shall have the meanings that are set forth in the Investment Agreement.

(a) The term "affiliate" (as defined in the first sentence of Section 3.2(a) of the Investment Agreement) shall be construed so that the Trust

shall not be deemed to be controlled by, or under common control with, any other person.

(b) The term "associate" (as defined in Section 3.2(a)(ii) of the Investment Agreement) shall be construed so that no trust or estate as to which the Trustee serves as trustee or in a similar fiduciary capacity shall be deemed to be an associate of the Trust.

(c) In determining whether a person is an "affiliate" or "associate" of the Trust, no person shall be considered to be controlled by the Trust, and no securities shall be considered owned by the Trust, unless the Trustee has such control or such ownership in its capacity as trustee of the Trust and not in any other capacity.

SECTION 2. Transfers of Cummins Stock.

(a) The Company hereby consents to each of the Transfers provided that (i) prior to or simultaneous with each Transfer, the Transferee shall have executed and delivered to the Investor and the Company a Joinder in Agreement in the form required by Exhibit A and (ii) all of the Transfers occur and all the Transferees execute and deliver such Joinders in Agreement.

(b) Simultaneously with the execution of this Consent and Amendment, the Investor is delivering to the Company a certificate representing the Cummins Stock, together with four stock powers, each duly executed in blank by the Investor and each Transferee other than the Trustee. As promptly as possible, the Company shall give appropriate instructions to the Company's stock transfer agent and registrar to take such action as may be necessary on their part to effect the Transfers and to register ownership of the Cummins Stock by the Transferees in the stock records of the Company.

SECTION 3. Representations and Warranties.

(a) Breaches of Original Representations by the Company. In the event of any breach of any representation or warranty by the Company in the Investment Agreement, the Trustee, and only the Trustee, shall be entitled to any remedy it would have if such representation had been made to it at the time it acquired the Cummins Stock, it being understood, however, that the representations and warranties of the Company set forth in the Investment Agreement are made only as of July 16, 1990, the date of the Investment Agreement.

(b) Additional Representations by the Company. The Company represents and warrants to the Investor and to each Transferee as follows:

(1) INDIANA BUSINESS COMBINATION ACT. Each of the Transfers, and any subsequent purchase of Voting Securities by the Trustee permitted by the Investment Agreement, as amended by this Consent and Amendment (the "Amended Investment Agreement"), has been approved by the Board of

Directors of the Company for purposes of Sections 23-1-43-18 of the Indiana Business Corporation Law.

(2) RIGHTS AGREEMENT. Under the Rights Agreement, as in effect at the date hereof (the "Amended Rights Agreement"), none of the Transferees, upon acquisition of the Cummins Stock, shall be deemed an "Acquiring Person" thereunder in connection with its becoming a "Beneficial Owner" of "Common Shares" as defined in Section 1 thereof and as permitted pursuant to Section 3.2(a)(i), 3.2(d) or 3.2(e) of the Amended Investment Agreement. The Company has furnished to the Investor true and correct copies of the Amended Rights Agreement.

SECTION 4. Assignment of Rights.

(a) Registration Rights. Each Transfer shall constitute an assignment of the Investor's right pursuant to Section 3.1(b) of the Investment Agreement to require registration of the Common Stock as set forth in Exhibit B to the Investment Agreement (it being understood that after all Transfers contemplated herein are completed, only the Trustee shall have such right).

(b) Modification of Terms. Each Transfer shall constitute an assignment of the Investor's right, pursuant to Section 3.1(f) of the Investment Agreement, to require that the Amended Investment Agreement be further amended to conform with terms of Future Investment Agreements (it being understood that after all Transfers contemplated herein are completed, only the Trustee shall have such right); provided, however, that no such amendment shall be made if, in the Investor's judgment, such amendment would adversely affect the Investor's business interests. Accordingly, no such amendment shall be made unless the Investor shall have timely indicated in writing to the Company and the Trustee that it has no objection to the amendment.

(c) Right to Purchase Additional Shares. Each Transfer shall constitute an assignment of the Investor's rights pursuant to Section 3.1(g) of the Investment Agreement to purchase Voting Securities or Voting

2

Security Equivalents (it being understood that after all Transfers contemplated herein are completed, only the Trustee shall have such right).

(d) Amended Rights Agreement. Simultaneously with the execution of this Consent and Amendment, the Company shall execute, and shall cause the Rights Agent (as defined in the Rights Agreement) to execute, the Amendment to the Rights Agreement in the form attached hereto as Exhibit B.

(e) Control Share Acquisitions. The Company shall not amend its Restated Articles of Incorporation or Bylaws if, as a result of such amendment, Chapter 42 of the Indiana Business Corporation Law would apply to any of the Transfers contemplated by this Consent and Amendment.

SECTION 5. Covenants of the Investor and the Transferees.

(a) Assumption of the Investor's Obligations. Acceptance by each Transferee of the Transfer of the Cummins Stock shall constitute an assumption by such Transferee of the covenants of the Investor set forth in Section 3.2 of the Investment Agreement until such time as such Transferee transfers the Cummins Stock to another Transferee as contemplated hereby (provided, however, that each Transferee will remain bound by the terms of the Investment Agreement for so long as such Transferee shall be an affiliate of the Investor). After all the Transfers contemplated herein are complete, the Trustee shall be bound by all the covenants set forth in Section 3.2, and Section 3.2 shall be deemed amended to replace all references therein to the Investor with references to the Trustee.

(b) Standstill and Other Provisions. Notwithstanding the assumption by the Transferees of the Investor's obligations set forth in Section 3.2(a) and 3.2(f) of the Investment Agreement, the Investor and its affiliates shall continue to be bound by such covenants during the term of the Amended Investment Agreement and the following additional provisions shall apply:

(1) In determining the number of Voting Securities and Voting Security Equivalents held or controlled by the Trustee:

(A) only Voting Securities and Voting Security Equivalents held by the Trustee as trustee of the Trust shall be considered in making this determination; and

(B) Voting Securities and Voting Security Equivalents held by the Trustee as of the date of this Consent and Amendment shall be disregarded and shall not be subject to any of the provisions of the Amended Investment Agreement, which number of Voting Securities and Voting Security Equivalents has been previously disclosed in writing to the Company.

(2) Simultaneously with the execution of this Consent and Amendment, the Investor shall cause the Investment Committee for the Trust to give the instructions set forth on Exhibit C to each person managing or controlling assets of the Trust, and such instructions shall not be revoked or rescinded for so long as the Investor and the Trustee are restricted from acquiring Voting Securities or Voting Security Equivalents.

(3) Voting Securities and Voting Security Equivalents that are included in determining the number of Voting Securities and Voting Security Equivalents held or controlled by the Trust shall be aggregated with the number of Voting Securities and Voting Security Equivalents held or beneficially owned by the Investor and its affiliates for purposes of Sections 3.2(a) and 3.2(f) of the Amended Investment Agreement.

(4) The Investor hereby agrees that during the term of the Investment Agreement, the Investor and its affiliates will not acquire, or agree to acquire, beneficial ownership of any Voting Securities or Voting Security

Equivalents or direct or indirect rights to acquire such beneficial ownership.

(c) Beneficial Ownership by Investor. For all purposes of the Investment Agreement, the Investor shall continue to be deemed to beneficially own all Voting Securities and Voting Security Equivalents held or controlled by the Trustee (other than those specified in clause (b) (1) (B) above).

3

(d) Additional Exceptions Relating to Section 3.2. For purposes of Section 3.2(d) of the Investment Agreement, the Trust shall not be deemed to be a Financial Affiliate. Each Transfer of the Cummins Stock shall constitute an assignment of the Investor's rights pursuant to Section 3.2(e) of the Investment Agreement (it being understood that after all Transfers contemplated herein are completed, only the Trustee shall have such right).

SECTION 6. Board Representation. Each Transfer shall constitute an assignment of the Investor's right, pursuant to Article IV of the Investment Agreement, to designate one person for election to the Company's Board of Directors (it being understood that after all Transfers contemplated herein are completed, only the Trustee shall have such right); provided, however, that any sale or transfer of Voting Securities by the Trustee shall be deemed to be a sale or transfer by the Investor.

SECTION 7. Investment Management Agreement. Investor shall not amend, modify or supplement Section 5 of the Investment Management Agreement dated as of December 27, 1993, among the Investment Committee of the Tenneco Inc. General Employee Benefit Trust, Woodbridge Capital Management, Inc. and Investor (the "Investment Management Agreement") without the consent of the Company. Furthermore, Investor shall cause a provision having the same effect as Section 5 of the Investment Management Agreement to be included in any investment management agreement with any person (including any new investment management agreement with Woodbridge Capital Management, Inc.) who manages any portion of the Trust that includes any Cummins Stock, and Investor shall not amend, modify or supplement any such provision without the consent of the Company.

SECTION 8. Miscellaneous.

(a) Legend. The legend set forth in Section 6.3 of the Investment Agreement shall be amended by inserting after the words "Tenneco Inc." the phrase ", as amended by a Consent and Amendment dated December 29, 1993,". Such legend, as so amended, shall be included on the certificates for the Cummins Stock issued to each Transferee and shall remain on such certificates for the period specified in Section 6.3 of the Investment Agreement.

(b) Notices. The address of each Transferee for communications referred to in Section 6.8 of the Investment Agreement shall be as specified in the Joinder in Agreement for such Transferee.

(c) Limited Applicability. This Consent and Amendment shall be effective only as to the specific matters expressly covered hereby and shall not be construed or deemed to alter any other provision of the Investment Agreement.

(d) Governing Law. This Consent and Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of laws.

(e) Counterparts. This Consent and Amendment may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when counterparts have been signed by each party and delivered to the other party.

(f) Specific Performance. The parties hereto acknowledge that damages would be an inadequate remedy for any breach of the provisions of this Consent and Amendment and agree that the obligations of the parties hereunder shall be specifically enforceable.

4

IN WITNESS WHEREOF, the parties have caused this Consent and Agreement to be duly executed by their duly authorized officers as of the date hereof.

CUMMINS ENGINE COMPANY, INC.

Steven L. Zeller

Steven L. Zeller

TENNECO INC.

M. W. Meyer

M. W. Meyer

5

EXHIBIT A

JOINDER IN AGREEMENT

This Agreement is made as of the _____ day of December, 1993, by and between Tenneco Inc. (the "Investor") and _____ (the "Transferee").

W I T N E S S E T H:

WHEREAS, the Investor and Cummins Engine Company, Inc. (the "Company") have

previously entered into an Investment Agreement dated as of July 16, 1990, which provided for the purchase by the Investor of certain securities of the Company, which securities presently consist of 3,200,000 shares of Common Stock of the Company (the "Shares"); and

WHEREAS, the Investor desires to transfer the Shares to the Transferee and, pursuant to a Consent and Amendment to Investment Agreement dated as of December , 1993 (the "Consent and Amendment"), the Company has consented to such transfer; and

WHEREAS, it is a condition precedent to the transfer of the Shares to the Transferee that the Transferee enter into this Joinder in Agreement;

NOW THEREFORE, the parties agree as follows:

1. By execution of this Joinder in Agreement, the Transferee shall become a party to the Consent and Amendment, and the Transferee shall be bound by the terms and provisions of the Consent and Amendment to the same extent as if the Transferee were originally a party thereto.

2. The Investor and the Transferee agree that (i) the Company is a third party beneficiary of this Joinder in Agreement, and (ii) this Joinder in Agreement may not be amended without the Company's written consent.

3. Representations and Warranties:

Each of the Investor and the Transferee and only as to itself represent for the benefit of the Company as follows:

(a) It has all requisite power and authority to execute and deliver this Joinder in Agreement.

(b) The consummation of the Joinder in Agreement as contemplated hereby does not contravene its constitutive documents.

(c) This Joinder in Agreement has been duly executed and delivered by it and is the legal, valid and binding obligation of it enforceable against it in accordance with its terms.

(d) The execution, delivery and performance of this Joinder in Agreement and the consummation of the transactions contemplated hereby will not conflict with, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which it is a party or result in any violation of any law, rule, regulation, order, judgment or decree applicable to it, including without limitation any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the rules and regulations promulgated thereunder, and any and all consents or approvals required by ERISA to permit the execution, delivery and performance of this Joinder in

Agreement and the consummation of the transactions contemplated hereby have been obtained.

4. The address for any notices or communications required or permitted to be given to the Transferee under the Investment Agreement, as amended by the Consent and Amendment, shall be as follows:

IN WITNESS WHEREOF, the parties hereto have caused this Joinder in Agreement to be duly executed by their respective authorized officers as of the date hereof.

TENNECO INC.

by _____

[TRANSFEE]

by _____

EXHIBIT B

AMENDMENT NO. 7 dated as of _____, 1993, to the Rights Agreement dated as of September 9, 1986, as amended, 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 are parties to a Rights Agreement dated as of September 9, 1986, as amended (the "Rights Agreement"); and

WHEREAS the Company and the Rights Agent deem it desirable to further amend the Rights Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and in the Rights Agreement, the parties hereto agree as follows:

1. Section 1(a) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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 5 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); (iv) the Trustee and the Trust (as such terms are defined in the Consent and Amendment dated as of _____, 1993 (the "Consent and Amendment") between the Company and Tenneco Inc., a Delaware corporation ("Tenneco"), provided that the Trustee does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to (x) Section 3.2(a)(i), Section 3.2(d) or Section 3.2(e) of the Investment Agreement between the Company and Tenneco dated as of July 16, 1990 (the "Tenneco Investment Agreement") or (y) the Consent and Amendment; or (v) Kubota Corporation, a Japanese corporation ("Kubota"), provided that Kubota does not acquire Beneficial Ownership of Common Shares except as permitted to Section 3.2(a)(i), Section 3.2(d) and Section 3.2(e) of the Investment Agreement between the Company and Kubota dated as of July 16, 1990 (the "Kubota Investment Agreement")."

2. Section 1(b) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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, provided, however, that (i) the Trustee shall not be deemed to be controlled by, or under common control; with, any other Person, (ii) no trust or estate as to which the Trustee serves as trustee or in a similar fiduciary capacity shall be deemed to be

an Associate of the Trust and (iii) no Person shall be considered to be controlled by the Trust, and no Common Shares shall be considered owned by the Trust, unless the Trustee has such control or such ownership in its capacity as Trustee and not in any other capacity."

3. Section 1(c) of the Rights Agreement is hereby amended to read in its

entirety as follows:

"(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.

Notwithstanding the foregoing, in accordance with the terms of the Consent and Amendment, Tenneco will be deemed to be the Beneficial Owner of all the Common Shares held or controlled by the Trust (other than the Common Shares specified in Section 5(b)(1)(B) of the Consent and Amendment)."

4. Section 1(hh) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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 (w) 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, (x) 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, (y) the Trustee in connection with its making of an offer in accordance with the final provision of Section 3.2(e) of the Tenneco 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) or 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)."

5. Section 11(d) (i) of the Rights Agreement is hereby amended to read in its entirety as follows:

"Notwithstanding any provision of this Rights Agreement, a Triggering Event shall not be deemed to have occurred solely as a result of (i) any of Ford, the Trustee 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)

2

or Section 3.2(f) of the Ford Investment Agreement, (y) in the case of the Trustee, Section 3.2(a), Section 3.2(d) or Section 3.2(e) of the Tenneco Investment Agreement or, in the case of any Transferee, pursuant to the terms of the Consent and Amendment or (z) 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."

6. Except as expressly amended hereby, the Rights Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 7 to the 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: _____

Peter B. Hamilton

Vice President and Chief
Financial Officer

[SEAL]

Attest:

Steven L. Zeller

Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
as Rights Agent

By: _____

Michael R. Phalen

Vice President

[SEAL]

Attest:

3

EXHIBIT C

[Date]

[Name and address of
each Asset Manager]

Ladies and Gentlemen:

On this day the Tenneco Inc. General Employee Benefit Trust (the "Trust") has acquired 3,200,000 shares of Cummins Engine Company, Inc. ("Cummins"). In connection with this transaction, Bankers Trust Company, in its capacity as trustee of the Trust, has agreed that it will not acquire any Voting Securities or Voting Security Equivalents of Cummins except as permitted by the agreement between the Trustee and Cummins. The definitions of Voting Securities and Voting Security Equivalents are set forth in Annex I to this letter.

In order to comply with the terms of the agreement between Cummins and the Trust, the Investment Committee under the Trust hereby instructs you to refrain from acquiring any Voting Securities or Voting Security Equivalents through the account that you manage on behalf of the Trust. This instruction shall remain in effect until the Investment Committee informs you in writing that this restriction is no longer in effect.

If there are any Voting Securities or Voting Security Equivalents in the account managed by you, the foregoing instruction shall not require the

disposition of such securities.

If you have any questions concerning this matter, please call
at your convenience.

Very truly yours,

The Investment Committee under the
Tenneco Inc. General Employee
Benefit Trust

By _____
Chairman of the
Investment Committee

ANNEX I

"Voting Securities" means any securities issued by Cummins having the ordinary power to vote, in the absence of contingencies, in the election of directors of Cummins.

"Voting Security Equivalents" means securities convertible into or exchangeable for Voting Securities or options to purchase such securities or Voting Securities.

JOINDER IN AGREEMENT

This Agreement is made as of the 29th day of December, 1993, by and between Tenneco Inc. (the "Investor") and Kern County Land Company (the "Transferee").

W I T N E S S E T H:

WHEREAS, the Investor and Cummins Engine Company, Inc. (the "Company") have previously entered into an Investment Agreement dated as of July 16, 1990, which provided for the purchase by the Investor of certain securities of the Company, which securities presently consist of 3,200,000 shares of Common Stock of the Company (the "Shares"); and

WHEREAS, the Investor desires to transfer the Shares to the Transferee and, pursuant to a Consent and Amendment to Investment Agreement dated as of December 29, 1993 (the "Consent and Amendment"), the Company has consented to such transfer; and

WHEREAS, it is a condition precedent to the transfer of the Shares to the Transferee that the Transferee enter into this Joinder in Agreement;

NOW THEREFORE, the parties agree as follows:

1. By execution of this Joinder in Agreement, the Transferee shall become a party to the Consent and Amendment, and the Transferee shall be bound by the terms and provisions of the Consent and Amendment to the same extent as if the Transferee were originally a party thereto.

2. The Investor and the Transferee agree that (i) the Company is a third party beneficiary of this Joinder in Agreement, and (ii) this Joinder in Agreement may not be amended without the Company's written consent.

3. Representations and Warranties:

Each of the Investor and the Transferee and only as to itself represent for the benefit of the Company as follows:

(a) It has all requisite power and authority to execute and deliver this Joinder in Agreement.

(b) The consummation of the Joinder in Agreement as contemplated hereby does not contravene its constitutive documents.

(c) This Joinder in Agreement has been duly executed and delivered by it and is the legal, valid and binding obligation of it enforceable against it in accordance with its terms.

(d) The execution, delivery and performance of this Joinder in

Agreement and the consummation of the transactions contemplated hereby will not conflict with, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which it is a party or result in any violation of any law, rule, regulation, order, judgment or decree applicable to it, including without limitation any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the rules and regulations promulgated thereunder, and any and all consents or approvals required by ERISA to permit the execution, delivery and performance of this Joinder in Agreement and the consummation of the trans-actions contemplated hereby have been obtained.

4. The address for any notices or communications required or permitted to be given to the Transferee under the Investment Agreement, as amended by the Consent and Amendment, shall be as follows:

Kern County Land Company
P.O. Box 2511
Houston, Texas 77252-2511
Attention: Corporate Secretary
Telecopy: 713-757-3581

IN WITNESS WHEREOF, the parties hereto have caused this Joinder in Agreement to be duly executed by their respective authorized officers as of the date hereof.

TENNECO INC.

M. W. Meyer

by _____

M. W. Meyer

KERN COUNTY LAND COMPANY

Robert G. Simpson

by _____

Robert G. Simpson

JOINDER IN AGREEMENT

This Agreement is made as of the 29th day of December, 1993, by and between Tenneco Inc. (the "Investor") and Case Corporation (the "Transferee").

W I T N E S S E T H:

WHEREAS, the Investor and Cummins Engine Company, Inc. (the "Company") have previously entered into an Investment Agreement dated as of July 16, 1990, which provided for the purchase by the Investor of certain securities of the Company, which securities presently consist of 3,200,000 shares of Common Stock of the Company (the "Shares"); and

WHEREAS, the Investor desires to transfer the Shares to the Transferee and, pursuant to a Consent and Amendment to Investment Agreement dated as of December 29, 1993 (the "Consent and Amendment"), the Company has consented to such transfer; and

WHEREAS, it is a condition precedent to the transfer of the Shares to the Transferee that the Transferee enter into this Joinder in Agreement;

NOW THEREFORE, the parties agree as follows:

1. By execution of this Joinder in Agreement, the Transferee shall become a party to the Consent and Amendment, and the Transferee shall be bound by the terms and provisions of the Consent and Amendment to the same extent as if the Transferee were originally a party thereto.

2. The Investor and the Transferee agree that (i) the Company is a third party beneficiary of this Joinder in Agreement, and (ii) this Joinder in Agreement may not be amended without the Company's written consent.

3. Representations and Warranties:

Each of the Investor and the Transferee and only as to itself represent for the benefit of the Company as follows:

(a) It has all requisite power and authority to execute and deliver this Joinder in Agreement.

(b) The consummation of the Joinder in Agreement as contemplated hereby does not contravene its constitutive documents.

(c) This Joinder in Agreement has been duly executed and delivered by it and is the legal, valid and binding obligation of it enforceable against it in accordance with its terms.

(d) The execution, delivery and performance of this Joinder in

Agreement and the consummation of the transactions contemplated hereby will not conflict with, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which it is a party or result in any violation of any law, rule, regulation, order, judgment or decree applicable to it, including without limitation any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the rules and regulations promulgated thereunder, and any and all consents or approvals required by ERISA to permit the execution, delivery and performance of this Joinder in Agreement and the consummation of the trans-actions contemplated hereby have been obtained.

4. The address for any notices or communications required or permitted to be given to the Transferee under the Investment Agreement, as amended by the Consent and Amendment, shall be as follows:

Case Corporation
700 State Street
Racine, Wisconsin 53404
Attention: Corporate Secretary
Telecopy: 414-636-7188

IN WITNESS WHEREOF, the parties hereto have caused this Joinder in Agreement to be duly executed by their respective authorized officers as of the date hereof.

TENNECO INC.

M. W. Meyer

by _____

M. W. Meyer

CASE CORPORATION

Robert G. Simpson

by _____

Robert G. Simpson

JOINDER IN AGREEMENT

This Agreement is made as of the 29th day of December, 1993, by and between Tenneco Inc. (the "Investor") and Bankers Trust Company, as Trustee of the Case Corporation Pension Plan for Hourly-Paid Employees (the "Transferee").

W I T N E S S E T H:

WHEREAS, the Investor and Cummins Engine Company, Inc. (the "Company") have previously entered into an Investment Agreement dated as of July 16, 1990, which provided for the purchase by the Investor of certain securities of the Company, which securities presently consist of 3,200,000 shares of Common Stock of the Company (the "Shares"); and

WHEREAS, the Investor desires to transfer the Shares to the Transferee and, pursuant to a Consent and Amendment to Investment Agreement dated as of December 29, 1993 (the "Consent and Amendment"), the Company has consented to such transfer; and

WHEREAS, it is a condition precedent to the transfer of the Shares to the Transferee that the Transferee enter into this Joinder in Agreement;

NOW THEREFORE, the parties agree as follows:

1. By execution of this Joinder in Agreement, the Transferee shall become a party to the Consent and Amendment, and the Transferee shall be bound by the terms and provisions of the Consent and Amendment to the same extent as if the Transferee were originally a party thereto.

2. The Investor and the Transferee agree that (i) the Company is a third party beneficiary of this Joinder in Agreement, and (ii) this Joinder in Agreement may not be amended without the Company's written consent.

3. Representations and Warranties:

Each of the Investor and the Transferee and only as to itself represent for the benefit of the Company as follows:

(a) It has all requisite power and authority to execute and deliver this Joinder in Agreement.

(b) The consummation of the Joinder in Agreement as contemplated hereby does not contravene its constitutive documents.

(c) This Joinder in Agreement has been duly executed and delivered by it and is the legal, valid and binding obligation of it enforceable against it in accordance with its terms.

(d) The execution, delivery and performance of this Joinder in Agreement and the consummation of the transactions contemplated hereby will not conflict with, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which it is a party or result in any violation of any law, rule, regulation, order, judgment or decree applicable to it, including without limitation any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the rules and regulations promulgated thereunder, and any and all consents or approvals required by ERISA to permit the execution, delivery and performance of this Joinder in Agreement and the consummation of the trans-actions contemplated hereby have been obtained.

4. The address for any notices or communications required or permitted to be given to the Transferee under the Investment Agreement, as amended by the Consent and Amendment, shall be as follows:

BANKERS TRUST COMPANY, as Trustee of the
Case Corporation Pension Plan for
Hourly-Paid Employees
c/o Bankers Trust Company of the Southwest
3000 Two Houston Center
909 Fannin, Suite 3000
Houston, Texas 77010

Attention: Thomas Calabro, Jr.
Telecopy: 713-759-6767

IN WITNESS WHEREOF, the parties hereto have caused this Joinder in Agreement to be duly executed by their respective authorized officers as of the date hereof.

TENNECO INC.

M. W. Meyer

by _____

M. W. Meyer

BANKERS TRUST COMPANY, as Trustee
of the Case Corporation Pension
Plan for Hourly-Paid Employees

Daniel C. Mueller

by _____

JOINDER IN AGREEMENT

This Agreement is made as of the 29th day of December, 1993, by and between Tenneco Inc. (the "Investor") and Bankers Trust Company, as Trustee of the Tenneco Inc. General Employee Benefit Trust (the "Transferee").

W I T N E S S E T H:

WHEREAS, the Investor and Cummins Engine Company, Inc. (the "Company") have previously entered into an Investment Agreement dated as of July 16, 1990, which provided for the purchase by the Investor of certain securities of the Company, which securities presently consist of 3,200,000 shares of Common Stock of the Company (the "Shares"); and

WHEREAS, the Investor desires to transfer the Shares to the Transferee and, pursuant to a Consent and Amendment to Investment Agreement dated as of December 29, 1993 (the "Consent and Amendment"), the Company has consented to such transfer; and

WHEREAS, it is a condition precedent to the transfer of the Shares to the Transferee that the Transferee enter into this Joinder in Agreement;

NOW THEREFORE, the parties agree as follows:

1. By execution of this Joinder in Agreement, the Transferee shall become a party to the Consent and Amendment, and the Transferee shall be bound by the terms and provisions of the Consent and Amendment to the same extent as if the Transferee were originally a party thereto.

2. The Investor and the Transferee agree that (i) the Company is a third party beneficiary of this Joinder in Agreement, and (ii) this Joinder in Agreement may not be amended without the Company's written consent.

3. Representations and Warranties:

Each of the Investor and the Transferee and only as to itself represent for the benefit of the Company as follows:

(a) It has all requisite power and authority to execute and deliver this Joinder in Agreement.

(b) The consummation of the Joinder in Agreement as contemplated hereby does not contravene its constitutive documents.

(c) This Joinder in Agreement has been duly executed and delivered by it and is the legal, valid and binding obligation of it enforceable against it in accordance with its terms.

(d) The execution, delivery and performance of this Joinder in Agreement and the consummation of the transactions contemplated hereby will not conflict with, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which it is a party or result in any violation of any law, rule, regulation, order, judgment or decree applicable to it, including without limitation any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the rules and regulations promulgated thereunder, and any and all consents or approvals required by ERISA to permit the execution, delivery and performance of this Joinder in Agreement and the consummation of the trans-actions contemplated hereby have been obtained.

4. The address for any notices or communications required or permitted to be given to the Transferee under the Investment Agreement, as amended by the Consent and Amendment, shall be as follows:

BANKERS TRUST COMPANY, as Trustee of the
Tenneco Inc. General Employee Benefit Trust
c/o Bankers Trust Company of the Southwest
3000 Two Houston Center
909 Fannin, Suite 3000
Houston, Texas 77010

Attention: Thomas Calabro, Jr.
Telecopy: 713-759-6767

IN WITNESS WHEREOF, the parties hereto have caused this Joinder in Agreement to be duly executed by their respective authorized officers as of the date hereof.

TENNECO INC.

M. W. Meyer

by _____

M. W. Meyer

BANKERS TRUST COMPANY, as Trustee
of the Tenneco Inc. General
Employee Benefit Trust

Daniel C. Mueller

by _____

Daniel C. Mueller

AMENDMENT NO. 7 dated as of December 29, 1993, to the Rights Agreement dated as of September 9, 1986, as amended, 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 are parties to a Rights Agreement dated as of September 9, 1986, as amended (the "Rights Agreement"); and

WHEREAS the Company and the Rights Agent deem it desirable to further amend the Rights Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and in the Rights Agreement, the parties hereto agree as follows:

1. Section 1(a) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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 5 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); (iv) the Trustee and the Trust (as such terms are defined in the Consent and Amendment dated as of December 29, 1993 (the "Consent and Amendment") between the Company and Tenneco Inc., a Delaware corporation ("Tenneco"), provided that the Trustee does not acquire Beneficial Ownership of Common Shares except as permitted pursuant to (x) Section 3.2(a)(i), Section 3.2(d) or Section 3.2(e) of the Investment Agreement between the Company and Tenneco dated as of July 16, 1990 (the "Tenneco Investment Agreement") or (y) the Consent and Amendment; or (v)

Kubota Corporation, a Japanese corporation ("Kubota"), provided that Kubota does not acquire Beneficial Ownership of Common Shares except as permitted to Section 3.2(a)(i), Section 3.2(d) and Section 3.2(e) of the Investment Agreement between the Company and Kubota dated as of July 16, 1990 (the "Kubota Investment Agreement")."

2. Section 1(b) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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, provided, however, that (i) the Trustee shall not be deemed to be controlled by, or under common control with, any other Person, (ii) no trust or estate as to which the Trustee serves as trustee or in a similar fiduciary capacity shall be deemed to be an Associate of the Trust and (iii) no Person shall be considered to be controlled by the Trust, and no Common Shares shall be considered owned by the Trust, unless the Trustee has such control or such ownership in its capacity as Trustee and not in any other capacity."

3. Section 1(c) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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.

Notwithstanding the foregoing, in accordance with the terms of the Consent and Amendment, Tenneco will be deemed to be the Beneficial Owner of all the Common Shares held or controlled by the Trust (other than the Common Shares specified in Section 5(b)(1)(B) of the Consent and Amendment)."

4. Section 1(hh) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(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 (w) 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, (x) 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, (y) the Trustee in connection with its making of an offer in accordance with the final provision of Section 3.2(e) of the Tenneco 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) or 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)."

5. Section 11(d)(i) of the Rights Agreement is hereby amended to read in its entirety as follows:

"Notwithstanding any provision of this Rights Agreement, a Triggering Event shall not be deemed to have occurred solely as a result of (i) any of Ford, the Trustee 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, (y) in the case of the Trustee, Section 3.2(a), Section 3.2(d) or Section 3.2(e) of the Tenneco Investment Agreement or, in the case of any Transferee, pursuant

to the terms of the Consent and Amendment or (z) 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."

6. Except as expressly amended hereby, the Rights Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 7 to the 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: _____

Peter B. Hamilton

Vice President and Chief
Financial Officer

[SEAL]

Attest:

Steven L. Zeller

Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
as Rights Agent

By: _____

Michael R. Phalen

Vice President

[SEAL]

Attest:

INVESTMENT MANAGEMENT AGREEMENT

This Agreement is effective as of the 27th day of December, 1993, among the INVESTMENT COMMITTEE OF THE TENNECO INC. GENERAL EMPLOYEE BENEFIT TRUST (the "Committee"), WOODBRIDGE CAPITAL MANAGEMENT, INC., a registered Investment Adviser as that term is defined in the Investment Advisers Act of 1940 with headquarters in Detroit, Michigan (the "Manager"), and TENNECO INC., a Delaware corporation ("Tenneco").

RECITALS

Tenneco by Trust Agreement with Bankers Trust Company (the "Trustee") has established the Tenneco Inc. General Employee Benefit Trust (the "Trust") for the collective investment and reinvestment of assets from pension plans of Tenneco and related companies.

The Trust Agreement states that the Trust shall be administered by the Committee and provides for the appointment by the Committee from time to time of an "Investment Manager", as that term is defined in Section 3 (38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), to manage designated assets of the Trust.

The Committee has determined that the Manager should be retained to manage a portfolio of certain assets initially consisting of Cummins Stock (as defined in Paragraph 4 below). Tenneco purchased 1,600,000 shares of the Cummins Stock pursuant to that certain Investment Agreement by and between Tenneco and Cummins Engine Company, Inc. ("Cummins"), dated July 16, 1990 (the "Tenneco-Cummins Agreement"), and acquired the remaining 1,600,000 shares of the Cummins Stock pursuant to a two-for-one stock split. The Cummins Stock will be transferred to Case Corporation ("Case"), a wholly-owned subsidiary of Tenneco, which will contribute the Cummins Stock to the Case Corporation Pension Plan for Hourly-Paid Employees, immediately after which the Cummins Stock will automatically become an asset of the Trust. The Manager has determined that the acceptance by the Trust of the Cummins Stock as a contribution from Case is prudent.

NOW, THEREFORE, the parties hereto agree as follows:

1. Appointment of the Manager. The Committee appoints the Manager to direct and manage the investment of designated Trust assets, as specified from time to time by the Committee, in a special account (the "Account") created solely for the management of investments pursuant to this Agreement. The Manager accepts the Committee's appointment and agrees to perform in accordance with the provisions of this Agreement. The Committee represents that employment of the Manager is authorized by, has been accomplished in accordance with, and does not violate, the documents governing the Account.

2. The Account. Subject to Paragraph 3 hereof, the Account will consist of those Trust assets that the Committee shall direct the Trustee to hold in a

segregated account plus all investments, proceeds of sale, income (other than as provided in the following sentence), and appreciation less depreciation and withdrawals. Any and all cash dividends paid with respect to the Cummins Stock shall not become part of the Account but shall be a general asset of the Trust which shall be treated as directed by the Committee from time to time. The amount of assets in the Account and the procedures may be adjusted from time to time by the Committee upon notice to the Manager. For purposes of this Paragraph 2, such notice shall be in writing, but may be given verbally if confirmed in writing as soon as practicable thereafter. The Manager shall have no authority to take possession of any assets of the Account or any proceeds derived from these assets and shall have no authority or responsibility for the custody and safekeeping of assets comprising the Account, except that the Manager shall notify the Trustee and the Committee of any material irregularities that come to the Manager's attention.

3. Responsibilities of the Manager. The Manager shall have full responsibility for the investment of assets of the Account, including, without limitation, the responsibility to vote the Cummins Stock, subject to the rules of Paragraph 5 hereof. Subject to the limitations set forth in Paragraph 5 hereof, the Manager shall have full authority to issue instructions to such brokers and banks as the Manager may select to purchase,

sell and otherwise trade in and deal with the securities of the Account, and, complying with Section 28(e) of the Securities Exchange Act of 1934, may pay commissions on transactions in excess of the amount of commission another broker or dealer would have charged. This may result in incurring commissions for the Account from time to time to cover such services which, in Manager's opinion assist in the supervision of the Account. The Manager shall comply with the provisions of Exhibit I attached hereto and made a part hereof. Further, the Manager shall comply with all laws and regulations issued from time to time by any governmental, administrative or other body that relate to the discharge of its duties under this Agreement and, without limiting the generality of the foregoing, shall discharge such duties in accordance with ERISA.

4. Investment. The assets of the Account shall consist exclusively of (i) shares of the common stock ("Cummins Stock") of Cummins, which shares shall initially be 3,200,000 shares of Cummins Stock, and any assets distributed with respect thereto, except as provided in Paragraph 2 hereof, (ii) cash equivalent securities described in Exhibit I hereto, or (iii) a combination thereof. The Manager upon request of the Committee shall transfer all investment responsibility for cash and cash equivalents to such other manager, trustee or entity as the Committee may from time to time direct. The Manager shall have no liability for acting in accordance with the Committee's direction or for the investment performance of such other manager, trustee or entity.

5. Tenneco-Cummins Investment Agreement. Tenneco is prohibited from transferring the Cummins Stock by the Tenneco-Cummins Agreement. Pursuant to that certain Amendment to the Tenneco-Cummins Agreement dated as of December 29, 1993 (the "Amendment"), Cummins consented to the transfer by Tenneco to the Trust of the 3,200,000 shares of Cummins Stock. The Trust is bound by the Tenneco-Cummins Agreement and the Amendment with respect, among other matters,

to restrictions of the transfer of Cummins Stock and the voting of Cummins Stock. The Manager shall manage the Account consistent with the Tenneco-Cummins Agreement, as amended. All rights of Tenneco under the Tenneco-Cummins Agreement are transferred and assigned to the Trust except that the right to designate a person for election to the Cummins Board of Directors shall be exercised by the Manager pursuant to the direction of the Committee; provided, that the Manager may decline to designate the person whom the Committee directs it to designate if it determines that the exercise of its fiduciary duty under ERISA requires it so to decline.

6. Contribution Obligation. For each calendar quarter that the Trust holds all or any portion of the 3,200,000 shares of Cummins Stock originally contributed to the Trust as contemplated by this Agreement, Tenneco and/or one or more of its subsidiaries will contribute to one or more of the plans funded by the Trust an amount in cash equal to the product, but not less than zero, of (i) the number of shares of Cummins Stock held in the Account on the last trading day of a calendar quarter, multiplied by (ii) the difference obtained by subtracting (x) the closing price of one share of Cummins Stock in the New York Stock Exchange ("NYSE") on the last trading day of that quarter from (y) the Lowest Price, as defined below. Such payment shall be made no later than 30 days after the end of the quarter to which it relates. Any corporate reorganization or other similar transaction affecting the number of shares of Cummins Stock held in the Account will be equitably reflected in a readjustment of the preceding sentence. The "Lowest Price" means the lesser of (iii) \$52 5/8; or (iv) the lowest closing price per share on the NYSE on the last trading day of any prior calendar quarter with respect to which a payment was previously required to be made under the rules of this Paragraph 6. In the event that the Trust sells any of the Cummins Stock held in the Account after July 31, 1996, Tenneco shall pay to the Trust an amount in cash equal to the product, but not less than zero, of (i) the number of shares of Cummins Stock so sold, multiplied by (ii) the difference obtained by subtracting (x) the gross price realized on such sale from (y) the Lowest Price. Tenneco's obligations under this Paragraph 6 shall be legally enforceable by the Manager, and Tenneco shall bear all costs of enforcement, including without limitation, reasonable attorney's fees. As collateral security for Tenneco's obligations under this Paragraph 6, Tenneco shall maintain a letter of credit substantially in the form attached hereto as Exhibit II in favor of the Trust in an amount equal to the product of 3,200,000 (or such lower number of shares of Cummins Stock as may hereafter be in the Account on the date of renewal of the letter of credit, subject to appropriate adjustment in the event of a stock split, reverse stock split or other stock adjustment) multiplied

by 52 5/8 and then by 20%. In the event Tenneco shall fail to make any and all payments as required under the rules of this Paragraph 6 when due, the Trust shall have the right to draw on such letter of credit in accordance with the terms thereunder in the amount of such failed payment. Tenneco shall notify Manager of any contribution made in accordance with this Paragraph 6, no later than five (5) days after the contribution is made, and Tenneco shall furnish

Manager with such supporting documentation as Manager may reasonably request with respect to its compliance with this Paragraph 6.

7. Fees. For services under this Agreement, the Manager shall be entitled to receive a fee each quarter. Such fee shall be paid by Tenneco, but if Tenneco shall fail to pay the fee within 30 days of the date on which it is due, the Trust shall pay the fee. The amount of the fee each quarter shall be a percentage of the net assets of the Account. The percentages are set forth in Exhibit III to this Agreement and the method for computing the "net assets" is as follows:

(a) The quarterly fee calculation shall be based upon the quotient derived by dividing by three the sum obtained by adding the asset values for each month of the calendar quarter; the asset value for any month shall be equal to the market value of the assets, exclusive of accrued income, under the management of the Manager under this Agreement as of the close of business, on the last business day of such month.

(b) The quarterly fee shall be payable by Tenneco within thirty days after the receipt and approval by the Committee of a statement from the Manager setting forth a detailed calculation of such fee. In the event that the effective date of this Agreement is after the first trading day of a calendar quarter, or the Agreement is terminated prior to the last trading day of a calendar quarter, the fee for such quarter shall be prorated according to the proportion which the number of days in which this Agreement was in effect during such quarter bears to 91.25. The term "trading day" means a day on which the New York Stock Exchange is open for business.

(c) For the purpose of determining the fee, assets shall be valued as of the close of business on the day of determination in such manner as will, in the judgment of the Trustee, most accurately reflect their market value; provided that the Committee or the Manager may, by written notice given to Trustee and to the other parties to this Agreement within thirty days of the receipt of any such valuation, dispute the correctness of such valuation; the ultimate decision of the Trustee, after consideration of any dispute notices, shall be final.

8. Other Investment Activities of Manager. The Manager and its officers may act and continue to act as investment managers for others, and nothing in this Agreement will in any way be deemed to restrict the right of the Manager to perform investment management or other services for Tenneco; provided that the income which Manager and its affiliates derive from Tenneco will, in no event, exceed 1% of the gross income of the Manager and its affiliates. Nothing in this Agreement limits or restricts the Manager or any of its officers, affiliates or employees from trading in any securities for its or their own account or accounts. The Committee acknowledges that the Manager and its officers, affiliates or employees, and its other clients may at any time have, acquire, increase, decrease or dispose of a position in investments which are at the same time being acquired for the Trust. The Manager shall not be obliged to acquire for the Trust a position in any investment which the Manager, its officers, affiliates or employees may acquire for its or their own accounts or

for the account of another client, if in the sole discretion of the Manager, it is not feasible or desirable to acquire a position in such investment for the Trust.

9. Limitation of Manager's Liability. Manager's authority hereunder shall not be impaired because of the fact that the Manager may effect transactions with respect to securities for its own account or for the accounts of others that it manages. These transactions may involve identical or similar securities and may be executed at the same or different times. Except for negligence or malfeasance, or violation of applicable law, neither the Manager, nor any of its officers, directors, employees or agents shall be liable hereunder for any action performed or omitted to be performed or for any errors of judgment in managing the Account; provided, however, as the federal securities laws impose liabilities under certain circumstances on persons

3

who act in good faith, nothing herein shall in any way constitute a waiver or limitation of any rights that the Committee may have under any federal securities laws. If any loss is suffered due to the acts or omissions of a custodian to which Manager has given investment instructions pursuant to the authority granted herein, the Trust will look to the custodian, and not to Manager, for restitution and recovery.

10. Acknowledgment and Representation. The Manager acknowledges that it is a fiduciary with respect to the plans participating in the Trust within the meaning of Section 3 (21) (A) of ERISA. The Manager represents that the execution of this Agreement has been duly authorized and agrees to provide such supporting documentation of its authorization and good standing as the Committee from time to time may reasonably request. Committee agrees to obtain and maintain a bond, satisfying the requirements of Section 412 of ERISA, and to include Manager and its agents among those insured under that bond.

11. Annual Report. At least once during each period of twelve months, the Manager shall provide an annual report on its investment performance in writing to the Committee. The Manager shall render such other reports as shall be requested by the Committee from time to time. The Manager does not assume responsibility for the accuracy of information furnished by the Committee, Tenneco or any other person associated with the Trust.

12. No Assignment. As this Agreement is based upon the special investment characteristics of the Manager, neither party may assign its rights or obligations under this Agreement except upon the express written consent of the other.

13. Term. This Agreement will commence on the effective date and will continue until terminated by either party, at its sole discretion, upon thirty days written notice to the other party. Fees shall be prorated to the date of termination.

14. Applicable Law. This Agreement shall be construed according to the

internal laws of the State of Michigan, except as superseded and preempted by ERISA or other laws of the United States.

15. Notice. All written notices under this Agreement shall be sent certified mail, with postage prepaid and return receipt requested, to the addresses listed below or to such other address as either party hereto shall notify the other party of in writing pursuant to the provisions of this Paragraph 15. Notices given pursuant to the provisions hereof shall be deemed given when received at the appropriate address.

(a) To the Committee:

Richard A. Robinson

Tenneco Inc.
P.O. Box 2511
Houston, Texas 77252-2511

(b) To the Trustee:

Bankers Trust Company of the Southwest
3000 Two Houston Center
909 Fannin, Suite 3000
Houston, Texas 77010

ATTN: Thomas Calabro, Jr.

(c) To the Manager:

Woodbridge Capital Management, Inc.
Renaissance Center 100 Tower
Detroit, Michigan 48243

ATTN: Charles W. Brown, Director of Institutional Equity Management

Manager shall be fully protected in acting upon any such communication which it considers to be authentic.

4

16. Complete Agreement. This Agreement, together with the Exhibits hereto and the Manager's letter to the Committee of even date herewith, constitutes the complete agreement of the parties concerning the retention of the Manager and cannot be amended or modified except in writing signed by authorized representatives of the parties.

17. Receipt of Disclosure Statement. The Committee acknowledges receipt of the Manager's Disclosure Statement, as require by Rule 204-3 under the Investment Advisers Act of 1940, not less than 48 hours prior to the execution of this Agreement.

IN WITNESS WHEREOF, each of the parties has duly executed this Agreement.

WOODBRIIDGE CAPITAL MANAGEMENT, INC.,

Charles W. Brown

By: _____

Its: Director of Institutional
Equity Management

INVESTMENT COMMITTEE OF THE
TENNECO INC. GENERAL EMPLOYEE
BENEFIT TRUST

Robert T. Blakely

By: _____

Its: Chairman

TENNECO INC.

M. W. Meyer

By: _____

Its: Vice President

5

EXHIBIT I

This Exhibit is a modification of the generally applicable rules, and it applies only to Woodbridge Capital Management, Inc. as an investment manager (the "Manager"). Any exception to these rules must receive prior approval in writing from the Investment Committee of the Tenneco Inc. General Employee Benefit Trust (the "Committee"). Capitalized terms not defined in this Exhibit shall have the meanings ascribed to them in the Investment Management Agreement to which this Exhibit is a part.

I. GENERAL POLICY

The Manager shall be responsible for regular communication with the Committee on all significant matters pertaining to investment policies, objectives, and the management of pension fund assets. In addition, the Manager shall promptly notify the Committee of significant changes in the ownership, organization structure, financial condition, or senior personnel staffing of the Manager.

The Manager shall use its established investment philosophy and strategy

subject to the "prudent expert" rule and the following requirements:

A. Three written quarterly performance reviews will be provided by the Manager to the Tenneco Pension Officer. In addition, as soon as practical after the end of each year, a full review of the year's performance shall be conducted by the Committee. Representatives of the Manager shall be present to answer questions.

B. The portfolio of the Manager shall be subject to independent audit by third parties, as requested by the Committee.

C. It is the responsibility of the Manager to assure compliance with applicable law.

II. COMMON STOCK

No unregistered or restricted stock shall be included in the portfolio, except the Cummins Stock initially deposited with the Manager hereunder and any stock which may be distributed with respect thereto.

III. CASH EQUIVALENT SECURITIES

The amount of assets invested in cash equivalent securities is not limited. The Manager may either elect to have the Trustee "sweep" uninvested cash daily into a Short Term Investment Fund managed by Fisher Francis Trees & Watts, Inc. or may invest cash directly in eligible cash equivalent securities. Investments in the following cash equivalent securities are acceptable but, with the single exception of securities whose principal and interest are guaranteed by the U.S. Government, are limited to 5% of a portfolio with any single entity (provided, that the 5% entity limitation will be waived whenever a purchase of less than \$2.5 million in any single issue is required):

A. There are no limits on investments in Treasury bill holdings.

B. Investments in bankers acceptances and certificates of deposit shall be confined to those issued by any U.S. bank whose consolidated total assets exceed \$5 billion and which is rated B/C or better with BankWatch Proprietary Credit Ratings and Consulting Service (formerly Keefe Bruyette and Woods).

6

C. Investments in commercial paper shall be restricted to only those companies carrying either an A1 or P1 rating. U.S. bank commercial paper may only be purchased if the bank's consolidated total assets exceed \$5 billion and in addition to the A1/P1 rating has a minimum of a B/C BankWatch rating.

D. Investments in repurchase/resale agreements shall be restricted to those issued by any U.S. bank whose consolidated total assets exceed \$5 billion and which is rated B/C or better by BankWatch, and to those issued by brokerage firms which are deemed acceptable by the Investment Committee. Because the credit worthiness of broker/dealers can change rapidly, it is the responsibility of the Tenneco Pension Officer to maintain an updated list of high quality broker/dealer firms.

E. Repurchase/resale agreements are to be fully collateralized by U.S. Treasury securities, which are held by the Trustee under procedures established between the Trustee and the Trust. Collateral will have a market value, including accrued interest, equal to or greater than the amount invested in the resale agreement. Individual maturities will not exceed five business days. No more than 25% of a portfolio will be invested in resale agreements, and no more than 10% of a portfolio may be placed with any single bank or dealer.

F. Investments in master note agreements shall be restricted to those whose issuer holds a commercial paper rating of either A1 or P1, or, if issued by a U.S. bank, whose consolidated total assets exceed \$5 billion and which is rated B/C or better by BankWatch.

7

EXHIBIT II

[FORM OF CREDIT]

DATE: DECEMBER , 1993

IRREVOCABLE DOCUMENTARY CREDIT NUMBER: C7234200

BENEFICIARY

APPLICANT

BANKERS TRUST COMPANY, AS

TENNECO INC.

TRUSTEE OF THE TENNECO INC.

1010 MILAM STREET

GENERAL EMPLOYEE BENEFIT TRUST

HOUSTON, TX 77252

3000 TWO HOUSTON CENTER

909 FANNIN, SUITE 3000

AMOUNT

HOUSTON, TEXAS 77010

USD _____

ATTN: MR. THOMAS CALABRO, JR.

AND 00/100'S US DOLLARS

EXPIRY

DECEMBER , 1994 AT OUR
COUNTERS

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF TENNECO INC. ("TENNECO"), WE CONTINENTAL BANK N.A., (THE "BANK"), ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT (THE "LETTER OF CREDIT") IN THE AGGREGATE AMOUNT OF U.S. \$ OR UPON ANY DATE OF RENEWAL OF THIS LETTER OF CREDIT IN AN AGGREGATE AMOUNT IN UNITED STATES DOLLARS EQUAL TO THE PRODUCT OF 3,200,000 (OR SUCH LOWER NUMBER OF SHARES OF CUMMINS STOCK (AS DEFINED IN SECTION 4 OF THE INVESTMENT MANAGEMENT AGREEMENT DESCRIBED BELOW) AS MAY HEREAFTER BE IN THE ACCOUNT (AS DEFINED IN THE INVESTMENT MANAGEMENT AGREEMENT DESCRIBED BELOW) ON THE DATE OF RENEWAL OF THIS LETTER OF CREDIT, SUBJECT TO APPROPRIATE ADJUSTMENT IN THE EVENT OF A STOCK SPLIT, REVERSE STOCK SPLIT OR OTHER STOCK ADJUSTMENT) MULTIPLIED BY AND THEN BY 20% (THE "LETTER OF CREDIT AMOUNT"), IN YOUR FAVOR AS TRUSTEE (THE "TRUSTEE") UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JANUARY 1, 1971 AS THE SAME MAY FROM TIME TO TIME BE SUPPLEMENTED OR AMENDED (THE "TRUST AGREEMENT") BETWEEN YOU AND TENNECO WHICH ESTABLISHED THE TENNECO INC. GENERAL EMPLOYEE BENEFIT TRUST (THE "TRUST"). THIS LETTER OF CREDIT IS ISSUED PURSUANT TO THAT CERTAIN INVESTMENT MANAGEMENT AGREEMENT BETWEEN TENNECO, THE INVESTMENT COMMITTEE OF THE TRUST AND WOODBRIDGE CAPITAL MANAGEMENT, INC. DATED AS OF DECEMBER , 1993 (THE "INVESTMENT MANAGEMENT AGREEMENT").

THIS LETTER OF CREDIT SHALL EXPIRE AT 5:00 P.M. CHICAGO TIME ON DECEMBER , 1994. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT BE DEEMED AUTOMATICALLY EXTENDED FOR ONE YEAR FROM THE CURRENT EXPIRATION DATE OR ANY FUTURE AUTOMATICALLY EXTENDED DATE FOR A ONE YEAR PERIOD BUT NO LATER THAN AUGUST 31, 1996, UNLESS WE NOTIFY YOU BY REGISTERED MAIL SIXTY

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: C7234200

DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. IN ANY EVENT THE FINAL EXPIRATION DATE OF THIS LETTER OF CREDIT IS AUGUST 31, 1996 (THE "EXPIRATION DATE").

SUBJECT TO THE PROVISIONS OF THIS LETTER OF CREDIT, DEMAND FOR PAYMENT UNDER THIS LETTER OF CREDIT MAY BE MADE BY YOU PRIOR TO THE EXPIRATION DATE BY PRESENTATION OF A DULY EXECUTED CERTIFICATE IN THE FORM OF ANNEX A (A "DRAWING CERTIFICATE"). THE DRAWING CERTIFICATE SHALL BE PRESENTED TO US AT 231 SOUTH LASALLE STREET, CHICAGO, IL 60697 ATTENTION LETTER OF CREDIT DIVISION OR BY RAPIFAX (AT TELECOPIER NUMBER 312-987-6828 OR TELEX (AT TELEX NUMBER 02-5233 ANSWERBACK CONTILEK CGO) (OR AT SUCH OTHER ADDRESS, RAPIFAX OR TELEX NUMBER IN THE UNITED STATES AS WE MAY DESIGNATE IN A WRITTEN NOTICE DELIVERED TO YOU), ON ANY BUSINESS DAY (HEREINAFTER DEFINED) (SUCH DEMAND AND PRESENTATION, A "DRAWING"). IF ANY DRAWING IS MADE BY TESTED TELEX OR RAPIFAX, YOU SHALL

DELIVER EXECUTED ORIGINALS OF THE DRAWING CERTIFICATE AS SOON AS POSSIBLE FOLLOWING SUCH DRAWING, PROVIDED, HOWEVER, THAT FAILURE TO DELIVER SUCH DULY EXECUTED DRAWING CERTIFICATE SHALL NOT ALTER THE LIABILITY OF THE BANK TO MAKE PAYMENT AS PROVIDED HEREIN. SUCH DRAWING CERTIFICATE SHALL BE SIGNED BY YOUR PURPORTED OFFICER, WITH ALL BLANKS COMPLETED AND DELETIONS MADE IN ACCORDANCE WITH THE DIRECTIONS TO DO SO, IF ANY, CONTAINED IN THE FORM OF DRAWING CERTIFICATE.

PAYMENT AGAINST CONFORMING DOCUMENTS PRESENTED UNDER THIS LETTER OF CREDIT ON ANY DATE ON WHICH BANKING INSTITUTIONS IN CHICAGO ARE OPEN FOR BUSINESS (A "BUSINESS DAY") PRIOR TO THE EXPIRATION DATE SHALL BE MADE BY US NO LATER THAN 3:00 P.M. CHICAGO TIME ON THE THIRD BUSINESS DAY FOLLOWING PRESENTATION.

PAYMENTS MADE HEREUNDER SHALL BE MADE WITH IMMEDIATELY AVAILABLE MONIES BY WIRE TRANSFER, EVIDENCED BY DELIVERY TO TENNECO OF A FEDERAL RESERVE BANK WIRE TRANSFER CONFIRMATION NUMBER, TO BANKERS TRUST COMPANY, AS TRUSTEE OF THE TENNECO INC. GENERAL EMPLOYEE BENEFIT TRUST, ABA 021001033, FOR CREDIT TO ACCOUNT NUMBER 100794 FOR THE BENEFIT OF THE TENNECO INC. GENERAL EMPLOYEE BENEFIT TRUST, ATTENTION: KIM MINTON, REFERENCE 99917985 (OR TO SUCH OTHER ACCOUNT NUMBERS OR ADDRESSES AS YOU MAY FROM TIME TO TIME DESIGNATE BY WRITTEN NOTICE TO US).

COMMUNICATIONS WITH RESPECT TO THIS LETTER OF CREDIT SHALL BE ADDRESSED TO US AT 231 SOUTH LASALLE STREET, CHICAGO, ILLINOIS 60697 ATTENTION: LETTER OF CREDIT DIVISION (OR TO SUCH ADDRESS OR PERSON AS WE MAY HEREAFTER DESIGNATE TO YOU IN WRITING) SPECIFICALLY REFERRING TO THE NUMBER OF THIS LETTER OF CREDIT.

TO THE EXTENT NOT INCONSISTENT WITH THE EXPRESS TERMS HEREOF, THIS DOCUMENTARY CREDIT IS SUBJECT TO THE "UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS" AND THE RELATED ICC PUBLICATION CURRENTLY IN EFFECT. AS TO MATTERS NOT GOVERNED BY UNIFORM CUSTOMS, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO ILLINOIS CHOICE OF LAW PRINCIPLES.

2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: C7234200

THIS LETTER OF CREDIT, TOGETHER WITH THE ATTACHMENT HERETO, SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN OR TO WHICH THIS LETTER OF CREDIT RELATES, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT, INSTRUMENT OR AGREEMENT.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 312-828-2685.

CONTINENTAL BANK, NATIONAL ASSOCIATION

FOR CASHIER

FOR CASHIER

3

ANNEX A

DRAWING CERTIFICATE

THE UNDERSIGNED, A DULY AUTHORIZED OFFICER OF BANKERS TRUST COMPANY, AS TRUSTEE (THE "TRUSTEE") UNDER A CERTAIN TRUST AGREEMENT DATED JANUARY 1, 1971 (THE "AGREEMENT"), BETWEEN TENNECO INC. AND BANKERS TRUST COMPANY, HEREBY CERTIFIES TO CONTINENTAL BANK N.A. (THE "BANK"), WITH REFERENCE TO LETTER OF CREDIT NO. C7234200 (THE "LETTER OF CREDIT") ISSUED BY THE BANK IN FAVOR OF THE UNDERSIGNED THAT:

1. THE TRUSTEE IS AUTHORIZED TO MAKE THIS DRAWING UNDER THE LETTER OF CREDIT PURSUANT TO THE TERMS OF PARAGRAPH 6 OF THE INVESTMENT MANAGEMENT AGREEMENT.
2. PURSUANT TO THE INVESTMENT MANAGEMENT AGREEMENT, THE TRUTSEE IS DRAWING ON YOU IN THE AMOUNT OF \$ WHICH AMOUNT IS HEREBY DEMANDED AND YOU ARE HEREBY INSTRUCTED TO REMIT PAYMENT AS PROVIDED IN THE LETTER OF CREDIT.

IN WITNESS WHEREOF, THE TRUSTEE HAS EXECUTED AND DELIVERED THIS CERTIFICATE AS OF THE DAY OF , 19 .

BANKERS TRUST COMPANY as Trustee of
the Tenneco Inc. General Employee
Benefit Trust

By: _____

TITLE

EXHIBIT III

FEEES

15 basis points

MODIFICATION

This Modification sets forth the agreement of the parties hereto as to certain modifications to the Investment Management Agreement (the "Agreement") between the Investment Committee of the Tenneco Inc. General Employee Benefit Trust (the "Committee") and Woodbridge Capital Management, Inc. ("Woodbridge"). The parties hereto intend that this is a modification contemplated by Paragraph 16 of the Agreement.

The parties hereto agree to the following modifications of the Agreement:

1. The direction of the Committee regarding the designation of a person for election to the Board of Directors (the "Board") of Cummins Engine Company, Inc. as provided in paragraph 5 of the Agreement may only be made in writing.

2. Tenneco Inc. agrees to indemnify and save Woodbridge harmless from and against any liability to which it may be subjected by reason of its service under the Agreement.

In all other respects the Agreement is reconfirmed.

In witness whereof, the parties hereto have caused this Modification to be signed by their authorized representatives this 29th day of December, 1993.

WOODBIDGE CAPITAL MANAGEMENT, INC.

Charles W. Brown

By _____

Its Director of Institutional
Equity Management

INVESTMENT COMMITTEE OF THE TENNECO
INC. GENERAL EMPLOYEE BENEFIT TRUST

Robert T. Blakely

By _____

Its Chairman

TENNECO INC.

M. W. Meyer

By _____

Its Vice President

AGREEMENT

THIS AGREEMENT dated as of January 10, 1994, is among TENNECO INC., a Delaware corporation ("Tenneco"), KERN COUNTY LAND COMPANY, a Delaware corporation ("Kern County"), and CASE CORPORATION, a Delaware corporation ("Case").

WITNESSETH:

WHEREAS, Tenneco has been the beneficial owner of 3,200,000 shares of common stock (the "Shares") of Cummins Engine Company, Inc., an Indiana corporation (the "Issuer"), which represents approximately 8.6% of the outstanding voting shares of the Issuer; and

WHEREAS, on December 29, 1993, Tenneco transferred the Shares to Kern County, Kern County transferred the Shares to Case, and Case transferred the Shares to the Case Corporation Pension Plan for Hourly Paid Employees; and

WHEREAS, Section 13(d) of the Securities Exchange Act of 1934 (the "Act") requires that a person who acquires more than five percent of any class of equity security registered under the Act to file a statement with the Securities and Exchange Commission setting forth certain required information; and

WHEREAS, Rule 13d-1 under the Act permits two or more persons who are required to file a statement with respect to the same securities to file only one statement;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. Joint Filing. Tenneco, Kern County and Case shall jointly file a Schedule 13D with respect to the Shares and shall jointly file any amendment to such Schedule 13D as shall be required by law. Such Schedule 13D and any amendment thereto shall be filed on behalf of each such person.

2. Responsibility for Accuracy. Each party hereto shall be responsible for the completeness and accuracy of the information concerning such party contained in such Schedule 13D and in any amendment thereto and shall not be responsible for the completeness and accuracy of the information concerning the other parties unless such party knows or has reason to believe that such information is inaccurate.

3. Representation. Each party hereto represents that it is eligible to file Schedule 13D.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed as

of the date first written above.

TENNECO INC.

M.W. Meyer

By: _____

M.W. Meyer

Vice President

KERN COUNTY LAND COMPANY

M.W. Meyer

By: _____

M.W. Meyer

Vice President

CASE CORPORATION

Robert G. Simpson

By: _____

Robert G. Simpson

Vice President