

PRICING & TERMS

Listed below are five scenarios for standard brake position, four of which were proposed by IH and one proposed by Eaton.

SUMMARY OF SCENARIOS

- A. Maintaining current business split
- B. Obtaining standard position at Springfield and Chatham
- C. Business split awarding Eaton standard position on premium models only
- D. Business split which gives Eaton standard position on 9670 and S series tractors only
- E. Business split which gives Eaton standard position at Springfield

Scenario E is proposed by Eaton and involves Eaton being standard on Springfield production.

Eaton's proposed pricing for each of the scenarios is as follows:

(A)	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
16.5 X 7 L.W. \$	91.99	\$ 89.23	\$ 87.45	\$ 86.57
16.5 X 7 Cast	95.07	92.21	90.37	89.47
16.5 X 6	89.36	86.68	84.95	84.10
18 X 7	197.64	191.71	187.88	186.00
15 X 4	92.20	89.43	87.65	86.77
16.5 X 5	98.46	95.50	93.59	92.66
16.5 X 6	100.92	97.89	95.94	94.98
PRODUCTIVITY	0%	3%	2%	1%

(B)	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
16.5 X 7 L.W. \$	84.47	\$ 81.93	\$ 79.47	\$ 77.09
16.5 X 7 Cast	87.29	84.67	82.13	79.66
16.5 X 6	82.05	79.59	77.20	74.89
18 X 7	181.47	176.03	170.75	165.62
15 X 4	88.38	85.72	83.15	80.66
16.5 X 5	90.40	87.69	85.06	82.51
16.5 X 6	92.66	89.88	87.19	84.57
PRODUCTIVITY	0%	3%	3%	3%