

Allison Transmission Selects Hutchison Group to Support Labor Contract Negotiations

November 2012 - Allison Transmission Holdings Inc. (NYSE: ALSN) announced that members of the International Union, United Automobile, Aerospace and Agricultural Workers of America (UAW) Local 933 ratified a new **five-year collective bargaining agreement** (CBA) which becomes effective December 3, 2012 and will expire on November 14, 2017.

Some of the key economic provisions from the new CBA include maintenance of a multi-tier wage and benefit system, and an annual performance incentive compensation program. Pension rates under the CBA are unchanged. Annual cost of living allowances based on a variable consumer price index were eliminated and replaced with a fixed annual lump sum payment of \$1,000. The parties also agreed to modify retiree healthcare, more closely aligning it with the benefits offered in the Voluntary Employee Beneficiary Association (VEBA) trust covering retired U.S. auto workers from Ford Motor Co., Chrysler Group and General Motors Co. The new CBA covers approximately 1,550 hourly employees who primarily work in Indianapolis.



Allison
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Excellent work and outcome! Your team played a key role in helping us reach a negotiated settlement with the union. Thanks again for your support.

Allison Transmission

Hutchison Group President, Cameron Hutchison, commented that the company and the union leadership are to be commended for reaching a fair and equitable five-year labor agreement, and we are very pleased to have participated in this process." Also, "aside from the actual contract negotiations process, Allison management, in the months leading up to negotiations had our Group conduct Labor Relations assessments, meeting with employees and union leaders to better understand the key issues.

Headquartered in Indianapolis, Allison employs some 3,400 persons and sells its transmissions through a worldwide distribution network with sales offices in North America, South America, Europe, Africa and Asia. The operation generates annual revenues in excess of \$2 billion.



The Hutchison Group is a highly regarded management consulting firm focused on all aspects of labor relations. We specialize in developing and implementing innovative labor cost strategies during acquisitions, mergers, divestitures, and business restructuring; and offer a broad range of other services designed to help reduce costs, improve productivity, and increase organizational effectiveness.

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