

**CHARTER**  
**BORGWARNER INC.**  
**CORPORATE GOVERNANCE COMMITTEE**

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Charter

The BorgWarner Inc. Corporate Governance Committee is appointed by the Board of Directors to (i) recommend to the Board of Directors the structure of the Board and its Committees to best serve the Company's practices and objectives, (ii) to identify, evaluate and recommend qualified candidates to the Board of Directors for election as directors, and members and chairs of Board Committees, (iii) to develop and recommend to the Board a set of corporate governance principles and (iv) to oversee the evaluation of the Board, its committees, individual directors and the Chief Executive Officer ("CEO").

The Corporate Governance Committee is authorized to:

1. Identify and recommend to the Board the names of qualified persons to be nominated for election or re-election as directors and consider suggestions for board membership submitted by shareholders in accordance with the notice provisions and procedures set forth in the Company's By-Laws.
2. Establish criteria for membership on the Board of Directors and its Committees, such as depth of experience, balance of business interest and experience, independence, required expertise and qualifications for membership on each committee. Qualifications to be considered include the attributes listed on Attachment A.
3. Review and make recommendations to the Board regarding Board composition and structure, including without limitation:
  - a. recommending the term of office for directors;
  - b. recommending retirement policies for non-employee directors;
  - c. recommending the size of the Board and desirable ratio of employee and non-employee directors; and
  - d. reviewing the format of Board meetings and making recommendations for the improvement of such meetings.

4. Review and make recommendations to the Board regarding the nature and duties of board committees, including without limitation:
  - a. evaluating the charters, duties and powers of board committees according to existing and planned Company objectives and recommending changes with respect thereto;
  - b. recommending the term of office for committee members; and
  - c. considering whether there should be a policy of periodic rotation of directors among the committees, and any limitations on the number of consecutive years a director should serve as a member of any one board committee.
5. Evaluate Company policies relating to the recruitment of directors, including D&O insurance and indemnification by-laws, and make recommendations to the Board, or any appropriate board committee, regarding such matters.
6. Periodically review and make recommendations to the Board as to director compensation such as retainers, fees and reimbursable expenses to be paid to non-employee directors for serving on the Board and Committees of the Board. The Committee will consult with the Compensation Committee regarding non-employee director compensation.
7. Receive periodically from the CEO his recommendations regarding his successor, the development of other executive talent and the executive management needs of the Company.
8. Receive periodically from the CEO his recommendation regarding his successor in the event of an emergency and recommend to the Board a successor to the chief executive officer if such vacancy occurs.
9. Make recommendations to the Board regarding corporate governance principles, especially as they relate to directors' duties and responsibilities, including recommendation and periodic review of the Company's Corporate Governance Guidelines.
10. Review performance criteria and oversee annual evaluation of the Board of Directors, Corporate Governance, Compensation and Audit Committees, individual directors and the CEO.
11. Evaluate any requests for a waiver of the application of the Company's Code of Ethical Conduct or compliance policies and report its findings and recommendations to the full board. Review and approve or ratify any related person transactions in accordance with applicable Company policies.

12. Review and recommend to the Board proposed changes to the Company's Certificate of Incorporation or By-laws.
13. Recommend to the Board ways to enhance relations with and improve communications with the Company's stockholders.
14. Retain, at its sole discretion, consultants to assist in the performance of its responsibilities hereunder.

The Committee shall consist of at least two independent Directors of the Company, appointed by the Board of Directors for such term of office as the Board shall determine. The Committee shall be composed exclusively of independent Directors. The Chair of the Committee shall establish such rules for the Committee and its members as may from time to time be necessary and proper for the conduct of the Committee's business in conformity with applicable laws, rules and regulations. The Committee may form and delegate authority to subcommittees as it deems appropriate.

The Secretary of the Company or Chief Compliance Officer will serve as Secretary of the Committee.

## ATTACHMENT A

**Desired Individual Director Qualifications** include:

The highest personal and professional ethics, integrity and values;

Demonstrated business acumen, experience and ability to use sound judgment to contribute to effective oversight of the business and financial affairs of the Company;

Ability to evaluate strategic options and risks, form independent opinions and state them in a constructive manner;

Active, objective and constructive participation at meetings of the Board and its committees, flexibility in approaching problems;

Open mindedness on policy issues and areas of activity affecting overall interests of the Company and its stockholders;

Stature to represent the Company before the public, stockholders and various others who affect the Company;

Involvement only in activities and interests that do not create a conflict with the director's responsibilities to the Company and its stockholders;

Willingness to objectively appraise management performance in the interest of the stockholders;

Interest and availability of time to be involved with the Company and its employees over a sustained period;

Ability to work well with others, with deep and wide perspective in dealing with people and situations, respect for the views of others;

A reasoned and balanced commitment to the social responsibilities of the Company;

Contribution to the Board's desired diversity and balance;

Willingness of independent directors to limit public company board service to 4 or fewer boards. Any exceptions would require Corporate Governance Committee approval.

Willingness to tender, promptly following the annual meeting at which they are elected or re-elected as Director, an irrevocable resignation that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation.

Willingness to provide all information, including completion of a questionnaire, required by the Company's Amended and Restated By-Laws.