

**ARVINMERITOR, INC.**  
**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE**  
**CHARTER**

A committee of the Board of Directors, to be known as the Compensation and Management Development Committee, be, and it hereby is, designated to consist of at least three and not more than six members of the Board of Directors who shall meet the independence requirements of the New York Stock Exchange, which Committee shall be charged with discharging the Board of Directors' responsibilities relating to compensation of the Corporation's executives and preparing a report on executive compensation to be included in the Corporation's annual proxy statement, and which Committee shall have the following powers and duties and shall report thereon to the Board of Directors:

1. Fix salaries of all officers, regardless of rate, and review annually the salary plan for other executives in general management positions having a salary grade of 24 or above or in a position with equivalent responsibilities for a business unit for which salary grades are not assigned;
2. Evaluate the performance of this Corporation's senior executives and plans for management succession and development, either as a committee or together with the other independent directors (as directed by the Board);
3. Review the design and competitiveness of this Corporation's compensation plans and make recommendations to the Board of Directors with respect to these plans and other executive compensation;
4. Administer this Corporation's incentive, deferred compensation, stock option and long-term incentives plans pursuant to the terms of the respective plans;
5. Review and approve goals and objectives relevant to the compensation of the Corporation's Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and have authority to set the Chief Executive Officer's compensation based on this evaluation, either as a committee or together with the other independent directors (as directed by the Board);
6. Review prior to adoption any proposed material amendments to the design and competitiveness of this Corporation's medical benefit plans;
7. Review for recommendation to the Board of Directors all material amendments to the Corporation's pension plans;
8. Sole authority to engage consultants and independent counsel as the Committee deems appropriate, and approve the related fees and retention terms; and
9. Review annually the Committee's performance.

The Corporation shall provide appropriate funding, as determined by the Committee, for compensation to any advisors that the Committee chooses to engage and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.