

CUMMINS INC.
GOVERNANCE AND NOMINATING COMMITTEE CHARTER

I. Organization

The Committee shall consist of at least three Directors, including a Chairperson, each of whom shall meet the applicable independence and experience requirements of the Cummins Corporate Governance Principles, the New York Stock Exchange or other relevant listing authority, the federal securities laws (as amended by the Sarbanes-Oxley Act of 2002) and the rules and regulations of the Securities and Exchange Commission ("SEC"). The Chairperson shall be the Lead Director.

Appointment and removal of Committee members shall be conducted in a manner consistent with the director selection guidelines set forth in the Company's Corporate Governance Principles.

The Committee shall be structured and operated in a manner consistent with the Corporate Governance Principles and in accordance with the Corporation's By-laws.

II. Purpose

The purpose of the Committee shall be to assist the Board in identifying qualified individuals to become Board members, in determining the composition of the Board of Directors and its committees, in monitoring a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines.

III. Responsibilities

The Committee shall:

- (1) Consider and recommend to the Board of Directors candidates to the Board in accordance with the Bylaws of the Company and the director election guidelines set forth in the Corporate Governance Principles and nominees to fill vacancies as they occur among the Directors caused by retirement, death, inability to serve, resignation, an increase in the number of the members of the Board of Directors, or other reason.
- (2) Consider and recommend to the Board of Directors a slate of nominees for election or reelection as the Directors by the shareholders of the Corporation at the annual meeting.
- (3) In the event of a vacancy in the office of a Director (including a vacancy created by an increase in the size of the Board of Directors), recommend to the Board of Directors an individual to fill such vacancy.

- (4) Review and approve the list of proposed Directors for inclusion in the Company's proxy statement in connection with the annual meeting of shareholders.
- (5) Consider and recommend to the Board of Directors a list of Director selection criteria to be used by the Committee in making recommendations regarding candidates for the Board.
- (6) Review the size and composition of the Board, the ratio of non-employee to employee Directors, frequency and format of Board meetings, Committee structure, and service on committees of the Board.
- (7) Annually, review the performance of the Board of Directors.
- (8) Annually, review the performance of the Committee.
- (9) Annually, review the Board's Corporate Governance Principles and make recommendations to the Board for any changes, amendments, and modifications to the Principles that the Committee shall deem desirable.
- (10) Make appropriate recommendations to the full Board of Directors when questions of independence and/or actual or potential conflicts of interest arise with respect to existing Board members or potential candidates for election to the Board of Directors.
- (11) Exercise sole authority to retain and terminate any search firm to be used to identify Director candidates, including sole authority to approve the search firm's fees and other retention terms and engage, as the Committee deems appropriate, outside legal, accounting, or other advisors, without the need for prior approval by the Board of Directors. The Company shall provide appropriate funding, as determined by the Committee, for payment of applicable fees and expenses of these parties and for other ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- (12) Annually, in conjunction with the Chief Executive Officer, review the performance of senior management of the Company.
- (13) Annually review the performance of the Chief Executive Officer, based upon performance against a work plan and including both quantitative and qualitative matters, and report the results of such review to the Compensation Committee.

- (14) Annually, following review of the Chief Executive Officer's performance and report thereon to the Compensation Committee, cause the Chairperson of the Committee to discuss with and communicate the results of the review to the Chief Executive Officer jointly with the Chairperson of the Compensation Committee.

The Committee shall make regular reports to the Board on the Committee's activities.

IV. Self-Assessment and Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.