

**CORPORATE GOVERNANCE AND DIRECTOR AFFAIRS COMMITTEE
OF THE BOARD OF DIRECTORS**

CHARTER

COMMITTEE PURPOSE

The Corporate Governance and Director Affairs Committee (the “Committee”) shall monitor and assist the Board of Directors (the “Board”) of REGAL-BELOIT CORPORATION (the “Company”) in fulfilling its corporate governance responsibilities and shall oversee the affairs of the Board and its meetings. The Committee shall also serve as the nominating committee of the Board and shall identify individuals qualified to become directors (consistent with criteria approved by the Board) and recommend to the Board candidates for all directorships to be filled by the Board or by the shareholders of the Company.

COMMITTEE COMPOSITION

The Committee shall be composed of not less than three independent Directors in accordance with the rules of the New York Stock Exchange. The members of the Committee, the designation of the Committee Chairperson, and the term of membership shall be determined by the Board. The Committee shall have the sole authority to retain and terminate outside counsel, consultants or other advisers it deems necessary to assist in the performance of its duties.

RESPONSIBILITIES

The Committee shall meet at least two times per year with the responsibility for the following duties and others as assigned by the Board.

1. To review and monitor compliance with all applicable corporate governance rules and requirements as issued by regulators and governing organizations (i.e., the Securities and Exchange Commission and the New York Stock Exchange) and, when it deems appropriate, to consider corporate governance recommendations of shareholder advisory groups.
2. To develop and recommend to the Board a set of governance principles that complies with the requirements of the New York Stock Exchange. Such governance principles shall address at least the following subjects: director qualification standards; director responsibilities; director access to management and, as necessary and appropriate, independent advisors; director orientation and continuing education; management succession; and annual performance evaluation of the Board.
3. To review such governance principles, procedures and practices no less frequently than annually and take such actions on the basis of such review as the Committee deems necessary or appropriate.
4. To apply criteria (consistent with criteria approved by the Board) to identify candidates to serve as directors and recommend to the Board candidates to fill existing or expected vacancies on the Board. See “Nomination Process” in the Company’s Corporate Governance Guidelines.
5. To assess the effectiveness of the criteria, including diversity, used for the selection of director nominees no less frequently than annually.
6. To recommend to the Board standards for determining director independence consistent with the requirements of the Securities and Exchange Commission, the New York Stock Exchange and other applicable guidelines and best practices.

7. To review the qualifications and independence of existing directors on an annual basis and make recommendations to the full Board whether those directors are independent and whether to re-nominate directors for re-election by shareholders.
8. To consider questions or independence of directors and possible conflicts of interest of members of the Board and executive officers.
9. To monitor and make recommendations in respect to matters relating to director's services; such as retainers, fees, benefits, board committee structure, stock ownership targets for directors, compulsory retirement age for directors, director term limits, and to annually recommend the assignments of Committee members and chairpersons.
10. To establish and manage a process whereby the full Board conducts an annual assessment of its effectiveness and performance and its committees' performance and effectiveness.
11. To make recommendations in respect to Board meetings, such as meeting frequency, date, and place, agenda subjects, Board visits, Board size and other similar matters.
12. To periodically review and make recommendations to the Board with respect to the Company's Articles of Incorporation, Bylaws and corporate governance policies to assure compliance with the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange.
13. To maintain the content and appropriateness of the Directors Handbook and new Directors Orientation Program.
14. To identify and direct special projects, hold special meetings or perform any other actions it believes necessary to perform its oversight functions.
15. To meet as circumstances of the Company require and report its activities to the full Board on a regular basis.
16. To facilitate for the Board a meeting in executive session (non-Management Directors, without Management) at each regular Board Meeting.
17. Review and evaluate annually the performance of the Committee and the adequacy of this Charter and make any recommendations to the Board that may be appropriate.
18. To review and, when it deems appropriate, to approve or ratify all transactions between the Company and any related person that are required to be disclosed by the Company pursuant to Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission. As used herein, the terms "related person" and "transaction" shall have the meanings prescribed to such terms in Item 404, as may be amended from time to time.

(January 28, 2011)