

**BorgWarner Inc. Retirement Savings Plan  
Annual Automatic Enrollment, Default Investment,  
Diversification, and Safe Harbor Notice**

Plan sponsors are required to provide employees who are or may be retirement plan participants with certain notices regarding plan features. This notice provides important information about the BorgWarner Inc. Retirement Savings Plan (the “Plan”) sponsored by BorgWarner Inc. (the “Company”). If you are already a participant in the Plan, no action is required by you at this time unless you would like to make changes to your elections in the Plan.

Below is a summary of the Plan’s features.

**Eligibility**

You are eligible to participate in the Plan on the first day of your employment with respect to the ability to contribute (1) before-tax elective deferrals, (2) Roth elective deferrals, (3) after-tax employee contributions, (4) before-tax retiree health contributions and to receive company matching contributions. With respect to company retirement contributions and safe harbor company retirement contributions, you are eligible after 60 days of employment with the Company. To enroll in the Plan, change your payroll deferral percentage, or change investment elections, contact Vanguard Participant Services using the instructions on page 5. If you fail to choose to participate in the Plan (or fail to opt out of participation) you may be automatically enrolled in the Plan. See “Direct your paycheck deduction” below for additional information.

**Payroll deferrals**

If you are eligible to participate in the Plan, you may elect a contribution rate to the Plan in an amount from 1% to 70% of your compensation. The aggregate amount of your before-tax elective deferrals, Roth contributions and after-tax employee contributions may not exceed 70% of your compensation. An eligible employee is also able to contribute up to 3% of compensation as before-tax retiree health contributions. Please refer to the “Contributions - What Amounts are Included in Compensation” section of your Plan’s Summary Plan Description (SPD) for information on eligible compensation. You can change your contribution rate to the Plan on a daily basis.

If you are age 50 or older or will attain age 50 anytime in the calendar year, you can make catch-up contributions if you contribute the maximum amount allowed by your Plan of 70% or once you reach the IRS limit by the end of the year, whichever is less.

For a list of the current IRS Contribution Limits please access the following link:

[www.vanguard.com/contributionlimits](http://www.vanguard.com/contributionlimits)

**Company retirement contributions**

The Company will make a safe harbor company contribution to your account each payroll period equal to 3% of your compensation for the payroll period.

You may be able to receive both this safe harbor company contribution and any regular company retirement contributions that you are eligible to receive under the Plan, as described in the “Contributions” section of the Plan’s SPD.

### **Company matching contributions**

The Company will make a company matching contribution to your account each payroll period equal to 100% of the amount of your before-tax elective deferrals and/or Roth elective deferrals (including Catch Up Contributions and/or Roth Catch Up Contributions) up to 3% of your compensation for the payroll period. In addition, the Company will make a company matching contribution to your account equal to 100% of the amount of your before-tax retiree health contributions up to a maximum of \$500. Your match is calculated on a payroll by payroll basis and will be made whether you are automatically enrolled or affirmatively elect your payroll deferral contributions. After-tax employee contributions are not matched.

### **Suspension or reduction of safe harbor company retirement contributions**

The Company retains the right to reduce or suspend the safe harbor company retirement contribution under the Plan. If the Company chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor company retirement contribution at least 30 days before the change is effective. The Company will contribute any safe harbor company retirement contributions you have earned up to that point. At this time the Company has no such intention to suspend or reduce the safe harbor company retirement contribution.

### **Direct your paycheck deduction**

At all times you have the right to elect how much to contribute to your Plan. However, if you do not make an election, you will be automatically enrolled in the Plan and may have your contribution rate automatically increased each year.

If you fail to choose to participate in the Plan (or fail to opt out of participation) within the first 60 days of becoming eligible to contribute to the Plan, you will be automatically enrolled with an initial before-tax contribution rate of 6% of your compensation.

Each year after the first year of participation, unless you elect not to participate in automatic increases or affirmatively elect to make automatic increases of a different percentage or as of a different date, your before-tax contribution rate will be automatically increased by 2% until you reach the Plan's designated automatic savings before-tax limit of 15% of your compensation. This automatic before-tax contribution rate increase generally occurs as soon as possible after the first day of April each year.

The automatic increase feature does not apply to highly compensated employees (HCEs) or employees in Pay Grades 16 or greater.

### **How to opt out or make changes**

You have the right not to contribute to the Plan. In addition, you always have the right to contribute an amount different than the automatic contribution amount or to invest in funds other than your Plan's default fund. If you want to make changes, simply contact Vanguard using the instructions on page 5.

### **Direct your investments**

You may direct the investment of your contributions to one or more of the Plan's available funds, which include a broad range of investment alternatives, intended to allow you to achieve a diversified portfolio.

## **Your Right to Diversify Investments in Company Stock**

This notice informs you of an important Federal law that provides specific rights concerning investments in employer securities (company stock). Because you may now have investments in company stock under the Plan, you should take the time to read this notice carefully.

### *Your Rights Concerning Employer Securities*

The Plan must allow you to elect to move any portion of your account that is invested in company stock from that investment into other investment alternatives under the Plan. This right extends to all of the company stock held under the Plan. You may contact the plan administrator or Vanguard, as explained below, for specific information regarding this right, including how to change your investment election. In deciding whether to exercise this right, you will want to give careful consideration to the information below that describes the importance of diversification. All of the investment options under the Plan are available to you if you decide to diversify out of company stock.

### *The Importance of Diversifying Your Retirement Savings*

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. Therefore, you should carefully consider the rights described in this notice and how these rights affect the amount of money that you invest in company stock through the Plan.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

### *For More Information*

If you have any questions about your rights under this law, including how to make this election, please contact the plan administrator or Vanguard, as explained on page 5.

### **Your Plan default funds**

Your Plan also designates a default fund where your contributions will be invested if you have not made an alternative investment election, or you are automatically enrolled and did not make an investment election. Your default fund is the Vanguard Target Retirement Trust I\* with the target date closest to the year you will reach age 65. Enclosed is a fact sheet which includes information about your default fund including the investment objective, fees and expenses, and risk and return characteristics.

### **Vesting and withdrawal options**

You will always be fully vested in your payroll deferral (i.e., before-tax elective deferrals, Roth elective deferrals, after-tax employee contributions and before-tax retiree health contributions) and Company safe harbor retirement contributions to the Plan. You will also be fully vested in Company matching contributions and regular Company retirement contributions when you have been credited with three years of service. To be fully vested means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave your job. For more information on vesting or years of service, please review the “Vesting” section of the Plan’s SPD.

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan.

Generally you may only withdraw vested money after you reach age 59 1/2 or after you leave your job (including termination of employment due to a disability). Also, there may be an extra 10% tax on distributions before age 59-1/2. You can learn more about the extra 10% tax, including exceptions to the tax, in IRS Publication 575, Pension and Annuity Income. Your beneficiary can get any vested amount remaining in your account when you die. You also can borrow certain amounts from your vested Plan account, and may be able to take out certain vested money if you have a financial hardship. Hardship distributions must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, qualifying burial or funeral expenses, or eligible expenses or losses incurred by you on account of a disaster declared by the Federal Emergency Management Agency. You can learn more about the Plan’s hardship withdrawal and loan rules in the “In-Service Withdrawals” section and the “Loans” section of the Plan’s SPD.

### **Change your investments**

You can redirect your future contributions and change the way your Plan account balance is invested anytime, subject to each fund’s trading restrictions and any purchase fees (if applicable). If you make an exchange out of the default fund, you cannot put money back into the same fund online or by phone within 30 days; however, you may be able to make an exchange via U.S. mail. Please refer to the fund’s prospectus or contact Vanguard for more information.

For more information about directing the investment of your Plan account, please refer to your Plan’s Summary Plan Description. If you need a copy of the Plan’s Summary Plan Description, please contact the plan administrator at:

Employee Benefits Committee  
BorgWarner Inc., 3850 Hamlin Road, Auburn Hills, MI 48326

For help determining an appropriate investment mix based on your investment goals, risk tolerance, and time horizon, complete Vanguard's Investor Questionnaire at [www.vanguard.com/assetmix](http://www.vanguard.com/assetmix), or contact Vanguard using the instructions below.

**Connect with Vanguard®**

\*\*To contact Vanguard to make changes to your current elections or for more information about any fund, including investment objectives, risks, charges, and expenses, or to obtain a prospectus, please refer to the instructions below.

The prospectus contains important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at [vanguard.com](http://vanguard.com).\*\*

- **Online.** Go to [Vanguard.com](http://Vanguard.com) for 24-hour access to financial-planning tools and information. Once you've enrolled, you can register for immediate secure online account access at [www.vanguard.com/register](http://www.vanguard.com/register). You will need your Plan number: **099103**.
- **By phone.** Call Vanguard's 24-hour automated VOICE® Network at **800-523-1188**. To use VOICE, you will need a personal identification number (PIN).
- **With personal assistance.** Vanguard Participant Services associates are available to assist you at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

**For further information:** Please refer to the Summary Plan Description for a complete explanation of the Plan features. You can also contact Vanguard using the instructions above to discuss Plan related questions.

\* This is the fund in which your contributions will be invested if you do not actively make a different investment allocation decision. If your default fund is a date-specific target date investment, your contributions will be invested in the most appropriate fund for someone your age, based on the funds offered by your plan as of the date you are enrolled in the plan. Should your plan subsequently offer a different date-specific target date investment that also may be appropriate for someone your age, your contributions will continue to be invested in the initial target date investment. You can choose different investments for your contributions at any time.

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# Vanguard Target Retirement Trust I

Balanced fund (stocks and bonds)

## Investment objective

Vanguard Target Retirement Trusts consist of eleven separate life-cycle trusts and two separate retirement income trusts that offer a simpler way for you to invest for retirement. Each trust is a multifund portfolio designed for a specific retirement time frame—you simply consider choosing the trust that most closely corresponds to the year in which you plan to retire. The trust's asset allocation will automatically adjust—both now and in the future—relying on Vanguard's investment strategies and extensive research. Each of the no-load, low-cost trusts invests in a diversified combination of underlying Vanguard funds, chosen from among five options (See Underlying Funds). Through these underlying funds, you have a well-diversified portfolio that offers exposure to small-, mid-, and large-cap domestic and international stocks, as well as domestic and international bonds. The asset mix gradually and automatically becomes more conservative, reducing the proportion invested in stocks, as you approach and enter retirement.

These trusts seek to provide capital appreciation and current income consistent with their current asset allocations.

## Underlying funds

- Vanguard Total Stock Market Index Fund seeks to track the performance of the entire U.S. stock market.
- Vanguard Total Bond Market II Index Fund seeks to track the performance of a broad, market-weighted bond index.
- Vanguard Institutional Total International Stock Market Index Trust II seeks to track the performance of stocks from developed and emerging markets, excluding the United States.
- Vanguard Total International Bond II Index Fund seeks to track the performance of a U.S. dollar hedged benchmark index that measures the investment return of investment-grade bonds issued outside of the United States.
- Vanguard Short-Term Inflation-Protected Securities Index Fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

Risk level					Target Retirement Trust	Acquired fees & expenses <sup>†</sup>	Trust asset allocation		
Low	← →			High			Stocks	Bonds	Short-term reserves
1	2	3	4	5	2070	0.065%	89.9%	10.0%	0.1%
1	2	3	4	5	2065	0.065%	89.0%	9.8%	1.2%
1	2	3	4	5	2060	0.065%	88.8%	9.8%	1.5%
1	2	3	4	5	2055	0.065%	88.7%	10.0%	1.4%
1	2	3	4	5	2050	0.065%	88.7%	10.0%	1.3%
1	2	3	4	5	2045	0.065%	85.6%	13.1%	1.3%
1	2	3	4	5	2040	0.065%	77.9%	20.9%	1.2%
1	2	3	4	5	2035	0.065%	70.3%	28.4%	1.3%
1	2	3	4	5	2030	0.065%	62.8%	35.9%	1.3%
1	2	3	4	5	2025	0.065%	54.5%	44.3%	1.2%
1	2	3	4	5	2020	0.065%	42.9%	55.9%	1.2%
1	2	3	4	5	Income	0.065%	29.3%	69.4%	1.3%
1	2	3	4	5	Income and Growth	0.065%	49.6%	50.4%	0.1%

**Note:** The trusts listed in this fact sheet may not be available in all plans. Frequent trading policies may apply to those trusts offered as investment options within your plan. Please review your plan materials or contact your plan service provider for additional information.

## PlainTalk® about risk

Investments in Target Retirement Trusts are subject to the risks of their underlying funds. The year in the trust name refers to the approximate year (the target date) when an investor in the trust would retire and leave the workforce. The trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Trusts is not guaranteed at any time, including on or after the target date. Diversification does not ensure a profit or protect against a loss. An investment in these trusts is subject to the price fluctuations inherent in the stock and bond markets, so you could lose money if you sell shares after prices have fallen.

Each trust invests in broadly diversified Vanguard funds. These trusts are subject to the risks associated with those underlying funds. All investing is subject to risk, including the possible loss of the money you invest. Bond funds are subject to interest rate, credit, and inflation risk. Stocks of companies based in emerging markets are subject to national and regional political and economic risks and to the risk of currency fluctuations. These risks are especially high in emerging markets. Because the trusts invest in Vanguard Total International Bond II Index Fund, each is subject to currency hedging risk, which is the chance that currency hedging transactions may not perfectly offset the fund's foreign currency exposures and may eliminate any chance for a fund to benefit from favorable fluctuations in those currencies. Vanguard Total International Bond II Index Fund will incur expenses to hedge its currency exposures. Because the trusts invest in Vanguard Short-Term Inflation-Protected Securities Index Fund, each is subject to the risks associated with U.S. Treasury securities. U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent share-price fluctuations. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest. Diversification does not ensure a profit or protect against a loss.

<sup>†</sup> The figure represents the total cost of the weighted average of the expense ratios and any fees charged by the underlying mutual funds in which the Target Retirement Trust invest plus the management expenses of the TRTs.

# Vanguard Target Retirement Trust I

Balanced fund (stocks and bonds)

## Average annual total returns<sup>1</sup>

Trusts (Inception date)	Acquired fees & expenses <sup>†</sup>	Periods ended June 30, 2022						
		Quarter	Year to date	One year	Three years	Five years	Ten years	Since inception
Target Retirement 2070 Trust I (April 6, 2022)	0.065	—	—	—	—	—	—	-13.05%
Target Retirement 2070 Composite Index <sup>2</sup>	—	-14.53%	-19.02%	-15.26%	6.32%	7.18%	—	-13.46%
Target Retirement 2065 Trust I (July 21, 2017)	0.065	-14.19%	-19.03%	-15.38%	6.00%	—	—	7.42%
Target Retirement 2065 Composite Index <sup>2</sup>	—	-14.53%	-19.02%	-15.26%	6.32%	7.18%	—	6.78%
Target Retirement 2060 Trust I (March 1, 2012)	0.065	-14.22%	-19.05%	-15.37%	6.01%	6.90%	9.05%	8.49%
Target Retirement 2060 Composite Index <sup>2</sup>	—	-14.53%	-19.02%	-15.26%	6.32%	7.18%	9.30%	8.69%
Target Retirement 2055 Trust I (October 5, 2010)	0.065	-14.22%	-19.07%	-15.37%	5.98%	6.89%	9.05%	8.79%
Target Retirement 2055 Composite Index <sup>2</sup>	—	-14.53%	-19.02%	-15.26%	6.32%	7.18%	9.30%	9.00%
Target Retirement 2050 Trust I (June 28, 2007)	0.065	-14.22%	-19.07%	-15.38%	5.99%	6.89%	9.08%	6.05%
Target Retirement 2050 Composite Index <sup>2</sup>	—	-14.53%	-19.02%	-15.26%	6.32%	7.18%	9.30%	6.17%
Target Retirement 2045 Trust I (June 28, 2007)	0.065	-13.93%	-18.80%	-15.17%	5.97%	6.88%	9.06%	6.01%
Target Retirement 2045 Composite Index <sup>2</sup>	—	-14.22%	-18.74%	-15.05%	6.31%	7.17%	9.29%	6.16%
Target Retirement 2040 Trust I (June 28, 2007)	0.065	-13.15%	-18.07%	-14.71%	5.45%	6.51%	8.84%	5.88%
Target Retirement 2040 Composite Index <sup>2</sup>	—	-13.43%	-17.99%	-14.57%	5.77%	6.79%	9.06%	6.01%
Target Retirement 2035 Trust I (June 28, 2007)	0.065	-12.38%	-17.31%	-14.23%	4.91%	6.07%	8.38%	5.56%
Target Retirement 2035 Composite Index <sup>2</sup>	—	-12.62%	-17.25%	-14.11%	5.23%	6.34%	8.58%	5.70%
Target Retirement 2030 Trust I (June 28, 2007)	0.065	-11.61%	-16.58%	-13.79%	4.33%	5.60%	7.78%	5.31%
Target Retirement 2030 Composite Index <sup>2</sup>	—	-11.82%	-16.51%	-13.65%	4.67%	5.87%	7.99%	5.44%
Target Retirement 2025 Trust I (June 28, 2007)	0.065	-10.64%	-15.53%	-13.05%	3.87%	5.19%	7.21%	5.17%
Target Retirement 2025 Composite Index <sup>2</sup>	—	-10.81%	-15.46%	-12.87%	4.21%	5.46%	7.42%	5.31%
Target Retirement 2020 Trust I (June 22, 2007)	0.065	-9.17%	-13.78%	-11.59%	3.42%	4.71%	6.59%	5.02%
Target Retirement 2020 Composite Index <sup>2</sup>	—	-9.30%	-13.72%	-11.41%	3.74%	4.97%	6.79%	5.13%
Target Retirement Income Trust I (June 22, 2007)	0.065	-7.37%	-11.75%	-10.06%	2.14%	3.40%	4.19%	4.51%
Target Retirement Income Compos. Index <sup>2</sup>	—	-7.51%	-11.75%	-9.96%	2.40%	3.60%	4.35%	4.56%
Target Retirement Income and Growth Trust I (February 25, 2022)	0.065	-9.76%	—	—	—	—	—	-9.85%
Target Retirement Income and Growth Composite Index <sup>2</sup>	—	-10.03%	-14.55%	-12.15%	3.64%	4.81%	—	-9.80%

**The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).**

**The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

- Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.
- Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter, as well as the Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index through June 2, 2013, and the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index thereafter; for short-term reserves, the Citigroup Three-Month Treasury Bill Index through June 2, 2013; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

<sup>†</sup>The figure represents the total cost of the weighted average of the expense ratios and any fees charged by the underlying mutual funds in which the Target Retirement Trust invest plus the management expenses of the TRTs.

*The Target Retirement Trusts are not mutual funds. They are separately managed collective investment trusts managed by Vanguard Fiduciary Trust Company, a Pennsylvania trust company and a wholly owned subsidiary of The Vanguard Group, Inc.*

**For more information about Vanguard investments, see below for which situation is right for you.**

*If you receive your retirement plan statement from Vanguard or log on to Vanguard's website to view your plan, visit [vanguard.com](http://vanguard.com) or call 800-523-1036.*

*If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper's website that is not Vanguard to view your plan, please call 855-402-2646.*

**Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.**