

Parental Leave - Hourly

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1.0 Purpose / Scope

It is the policy of BorgWarner Inc. and its subsidiaries (“Company”) to support our employees through fostering a family-friendly atmosphere where they can thrive in their jobs without sacrificing essential family obligations. Our Parental Leave program provides parents additional flexibility and time to bond with a new child while adjusting to their new family situation.

2.0 Applicability

To qualify for Parental Leave under this Policy, the Employee must have been continuously employed by the Company for at least six months prior to the birth or placement of the child and be classified as a full-time regular employee.

Eligible new parents may take paid Parental Leave for the birth of a child, adoption of a child under the age of thirteen, (or a dependent under the age of nineteen if the dependent is mentally or physically disabled), or the placement of a child pursuant to permanent legal guardianship. This program does not apply to temporary foster placement, temporary custody, bonding with step-children or domestic partner children, employees acting in loco parentis, or surrogates.

3.0 Definitions

- Full time Regular Employee – A US-based employee whose regular scheduled work week is more than 30 hours per week, including a US based employee on assignment outside of the US. This policy excludes employees who are on lay-off status at time of birth or placement.
- Work Week – the fixed and regularly scheduled hours an employee is expected to be on duty at their location (generally 40 hours per week as defined by your location).
- Bonding – period of time when mother or father care for a child within first 12 months following birth or placement of child.
- Parent – biological, permanent guardian, or adoptive parent:
 - Biological – maternal or paternal parent
 - Adoptive parent – employee with a permanent, legally binding arrangement whereby the adopting parent assumes all parental rights and obligations. The birth parents are no longer the legal parents of the child.
 - Permanent Legal Guardianship – employee who is authorized by the court to care for a minor child creating a permanent home for the child until the age of 18, or the court terminates or modifies the guardianship order. A birth parent can not apply to the court to terminate this permanent guardianship after it is granted. Parental rights may or may not have been terminated.
- Parental Leave – paid time off for father, or additional time provided to a biological mother after short term disability leave has ended.

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4.0 Benefit

- The amount of paid days available is 20 days (not to exceed 160 hours) payable at 60% of base hourly wage. The leave may be taken consecutively or intermittently but must be taken in whole week (40 hour) increments within the 12 months following the birth or placement of the child. Leaves may start mid-week but hours must be concurrent.
- Paid Parental time replaces paid holiday time that may occur during the requested period. Like Short Term Disability, if a holiday falls within the employee's Parental Leave time off, it will be paid at 60% instead of 100%.
- Health insurance benefits will continue to be provided during the paid leave under this policy at the same rate as in effect before the leave. Time toward service accrual will also continue to accrue.
- If both parents are employees of the Company, only one may access the paid benefits provided under this policy. Both, however, continue to be entitled to leave under the Family and Medical Leave Act (FMLA), if eligible.
- Parental Leave is not charged against the employee's other Company paid time off policies, but its payment and time off is offset by any State or Country mandated family leave.
- Paid Parental Leave cannot be supplemented with other forms of paid time off to a total of 100% during the period of leave.
- Multiple concurrent births or adoptions do not increase the length of Parental Leave.
- Upon termination of employment, employee will not be eligible for payment of any unused Parental Leave.
- Employee is not eligible for overtime pay, shift premiums, and other forms of increased hourly pay when Paid Parental Leave is taken for a portion of a payroll period.
- Employee is eligible for another paid Parental Leave if employee has another child, as long as the subsequent leave begins at least 12 months after the prior paid Parental Leave ended.

5.0 Procedure

Employee is responsible for communicating their intended use of Parental Leave to ReedGroup and HR in a timely manner. If the leave is concurrently running with another state or federally-mandated leave (i.e. FMLA), ReedGroup will automatically approve the leave request for Parental Leave. If it is not running concurrently with another state or federally-mandated leave, HR will approve or deny the leave based upon terms and conditions of this policy.

1. Employee must apply for Parental Leave by contacting ReedGroup and completing the necessary forms. It is the Employee's responsibility to ensure that proof of birth or placement is given to ReedGroup as soon as practicable. Failure to do so may result in a delay of payment, or denial of a Parental Leave.
2. Employee also needs to communicate with ReedGroup for details on the use of job-protected leave under FMLA. The Family and Medical Leave Act allows an employee up to 12 work weeks of unpaid leave annually. See BorgWarner's Family Medical Leave Policy available on ICE for details on FMLA. Paid Parental Leave under this policy will run

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concurrently with FMLA leave. An Employee who is not eligible for FMLA leave is still eligible for paid Parental Leave subject to its eligibility requirements.

- a. Employee must apply for FMLA by contacting ReedGroup at 1-800-441-9628 to file a Family Leave or Medical Leave claim. It is employee's responsibility to ensure that proof of birth or placement is sent to ReedGroup as soon as practicable. Failure to do so may result in a delay of payment, or denial of a Parental Leave.
3. Parental Leaves are approved by ReedGroup when the leave is concurrently running with another state or federally mandated leave and approved by BorgWarner when they are not. Supervisors will accommodate the parent's preferences on timing of the Parental Leave depending on local operational needs. Requests for time off may be denied, subject to applicable federal FMLA requirements. Parental leaves are tracked by ReedGroup based upon information provided to ReedGroup by the employee.
4. Job-protection while on Parental Leave is approved and tracked by ReedGroup based upon information provided to ReedGroup by the employee, not BorgWarner.
5. Birth mothers must also communicate with ReedGroup for Short Term Disability benefits by contacting 1-800-441-9628. After Short Term Disability, and while on unpaid Family Leave under FMLA, the birth mother may request to ReedGroup a continuation of pay under this Parental Leave policy. The birth mother may also wait to use Parental Leave after returning from FMLA. Parental Leave will not extend FMLA job protection.
6. Both the employee and the local HR representative will be notified by ReedGroup of the approval, or denial, of job protected FMLA entitlement. ReedGroup will notify the employee and the local HR representative of approval, or denial of, Paid Parental Leave benefits. If the claim is denied by BorgWarner or ReedGroup, the employee will be required to remain at work or return to work within 2 working days. The employee will not be paid for any absence time taken pending leave approval. Failure to return to work as requested may subject the Employee to disciplinary action, up to and including termination of employment.

The existence of Paid Parental Leave does not give an employee a right or entitlement to continued employment. BorgWarner has sole discretion to approve or deny any request for Paid Parental Leave outside of leave provisions required by law, or terminate such arrangement at any time for any reason.

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APPROVALS

Policy Committee

Corporate**REVISION HISTORY**

Rev.	Date	Description