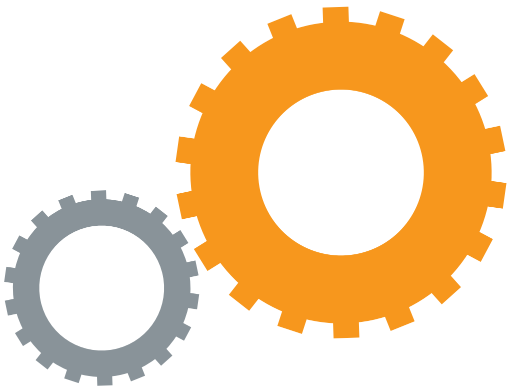
Take the wheel

BorgWarner Retirement Savings Excess Benefit Plan—plan year 2024

BORGWARNER | Vanguard



Eligibility

Because your salary grade is 16 or higher, you are eligible to participate in the BorgWarner Retirement Savings Excess Benefit Plan (Excess Plan). This plan was designed so that employees with high annual incomes can continue to receive valuable company contributions (such as company matching contributions and company retirement contributions) after reaching one or more of the following 2024 IRS limits for the BorgWarner Inc. Retirement Savings Plan (RSP):

- Your annual pre-tax or Roth 401(k) after-tax contributions to the RSP reach the Internal Revenue Code (IRC) 402(g) limit of $23,000.*
- The total of your RSP contributions, including your annual pre-tax or Roth 401(k) after-tax contributions, company matching contributions, and company retirement contributions, reaches the 415(c) limit of $69,000.
- Your total eligible RSP compensation reaches the IRC 401(a)(17) limit of $345,000.

*If you are age 50 or older, you may contribute up to an additional $7,500 in catch-up contributions to your RSP account in 2024, for a total contribution of $30,500. This limit will not affect your participation in the Excess Plan.

The Excess Plan is a nonqualified plan, and as such, your account is subject to certain risks inherent in this type of plan, including the safety of principal and earnings. Company matching contributions and investment returns are held on an unfunded basis and are considered general assets of BorgWarner available for payment to creditors in the event of a bankruptcy proceeding.

There are two components to the Excess Plan:

- The Excess Plan company matching contribution is a continuation of the company match made to your Excess Plan account. In the event that your RSP contributions reach IRS limits, no further company matching contributions will be allowed into your RSP account. Instead, you will continue to receive your 3% company matching contributions to your Excess Plan account without being restricted by IRS limits.
- The Excess Plan company retirement contribution (CRC) is a continuation of the CRC made to your RSP account. In the event that you reach certain IRS limits, no further CRCs will be made to your RSP account. Instead, you will continue to receive these contributions in the Excess Plan without being restricted by IRS limits.

Components	BorgWarner RSP	BorgWarner Excess Plan
Savings account	BorgWarner matches your pre-tax and Roth 401(k) after-tax contributions $1 for $1 up to 3% of your pay.	Company match contribution of 3% continues if you elected pre-tax or Roth 401(k) after-tax deferrals in the RSP.
Company retirement account	BorgWarner automatically provides CRCs regardless of your election to participate in the RSP. Contributions are based on your years of service and pay.	CRCs are based on your years of service and pay.
Retiree health account (RHA)	BorgWarner matches your RHA contributions for future health care expenses $1 for $1 up to $500.	Not applicable

Enrollment

Individuals reaching one of the annual IRS limits (subject to change each year) listed below are automatically enrolled in the Excess Plan at that time. You will begin receiving contributions as a result of exceeding one or more of the following limits:

Reaching IRS limits	
IRC Code	**2024 limit amount**
IRC 402(g)	$23,000
IRC 415(c)	$69,000
IRC 401(a)(17)	$345,000

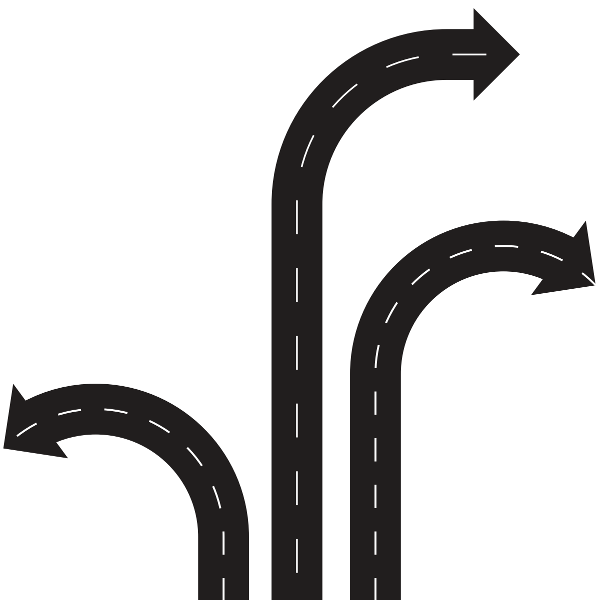
Contributions

The Excess Plan consists solely of company matching contributions and CRCs as a result of your exceeding the IRS limits listed above. Employee contributions are not accepted into the Excess Plan.

Tax and other considerations

Unlike RSP contributions, all contributions to your Excess Plan account are subject to annual FICA taxation once you have reached three years of service. The FICA tax withholding normally occurs in the last payroll in December.

Plan your route . . . and avoid roadblocks where possible



Roadblock #1: Reaching the IRC 402(g) limit of $23,000

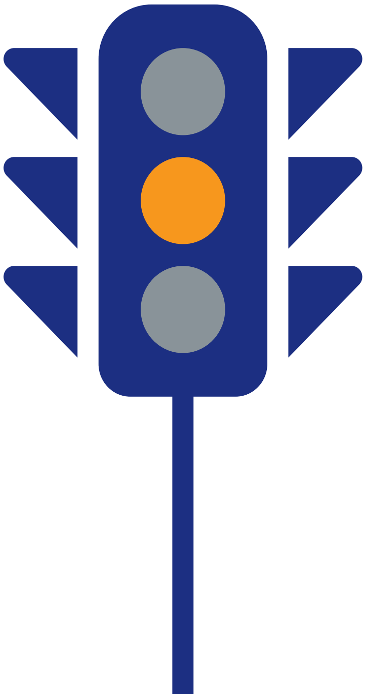
Given the potential tax consequences and risks associated with a nonqualified plan (such as the Excess Plan), you may want to control how much of your match is allocated to the RSP rather than the Excess Plan by adjusting your pre-tax or Roth 401(k) after-tax contribution percentage.

The chart below shows three different scenarios for Marie, a 45-year-old employee with between 10 and 20 years of service, who makes $343,000 (base of $255,000 + bonus of $88,000). Marie contributes a percentage of her compensation to the RSP and receives a 3% company matching contribution. However, depending on Marie's contribution percentage, some of the company matching contributions may be made into the Excess Plan instead of her RSP account.

	Scenario A	Scenario B	Scenario C
Marie's pre-tax and/or Roth after-tax contribution percentage to RSP (as a % of pay)	8%	13%	20%
Date contributions reach $23,000 limit*	October 15	May 15	February 15
Total employee contributions to RSP (max. $23,000)	$23,000	$23,000	$23,000
Total RSP matching contributions	$8,696	$5,509	$3,596
Missed RSP matching contributions due to IRC 402(g) limit	$1,594	$4,781	$6,694
Total Excess Plan matching contributions	$1,594	$4,781	$6,694
Total matching contributions received	***$10,290***	***$10,290***	***$10,290***

*$23,000 does not include catch-up contributions, which are available for participants age 50 or older.

In each of these scenarios, Marie receives her maximum matching contribution of $10,290 (3% of $255,000 + 3% of $88,000), although the amount allocated to the RSP and the Excess Plan varies according to the RSP contribution percentage.



Roadblock #2: Reaching the IRC 415(c) limit of $69,000

When contributions (both yours and the company's) to your qualified RSP account reach $69,000, all contributions into your RSP account will stop and company contributions will continue in your Excess Plan account. Your deferral elections and, in particular, your traditional after-tax contributions will determine the timing of when this RSP limit is met and the amount of the CRC that will be allocated to the RSP versus the Excess Plan.

Let's take a look at our employee, Marie, again. The following scenarios represent how her CRC is allocated between the RSP and the Excess Plan when her total contributions to the RSP account reach the 415(c) limit due to a traditional after-tax election.

Marie makes $343,000 (base of $255,000 + bonus of $88,000) in 2024 and contributes a total of 8% to the RSP on a pre-tax and/or Roth after-tax basis.

	Scenario A	Scenario B	Scenario C
Marie's pre-tax and/or Roth after-tax contributions to RSP	$23,000	$21,779	$15,540
RSP matching contribution	$8,688	$7,103	$5,740
RSP CRC	$20,558	$16,308	$10,995
Traditional after-tax RSP contribution	6% $16,754	11% $23,811*	20% $36,725*
Total RSP contributions (max. $69,000)**	$69,000	$69,000	$69,000
Date contributions reach $69,000 total contribution limit	September 30	July 31	May 15
Total Excess Plan CRC	$5,313	$9,563	$14,876
Total Excess Plan match	$1,603	$3,188	$4,551
Total BorgWarner contributions received between RSP and Excess Plan	***$36,162***	***$36,162***	***$36,162***

*Marie's elections also create a traditional after-tax adjustment to provide the required 3% safe harbor CRC in the RSP of $6,375 (Scenario A), $10,625 (Scenario B), or $15,938 (Scenario C).

**$23,000 limit does not include catch-up contributions, which are available for participants age 50 or older.

As you can see, Marie receives her maximum BorgWarner contribution of $36,162, although the amount allocated to the RSP and the Excess Plan varies according to her traditional after-tax contribution percentage.

Roadblock #3: Reaching the IRC 401(a)(17) compensation limit of $345,000

Once your eligible RSP compensation reaches the $345,000 IRC 401(a)(17) limit, the CRC and company match in your RSP account will stop and continue in your Excess Plan account. Both matches are calculated on base plus bonus compensation in excess of $345,000 in the Excess Plan.

The chart below shows that if you made $385,000 ($285,000 base and $100,000 bonus) for the year and have between 10 and 20 years of service, the total CRC you would receive equals $30,490. However, only $24,990 of that would go to your qualified RSP account, and the remaining CRC would go to your Excess Plan account.

	RSP	Excess Plan	Total
Eligible compensation	$345,000	$40,000	$385,000
RSP company matching contributions	$9,975	$1,575	$11,550
CRC	$26,070	$4,000	$30,070

Note: Example assumes pre-tax or Roth after-tax contributions of 7% and traditional after-tax contributions of 0%.

It is possible to reach more than one IRS limit throughout the course of any given plan year. If multiple limits are met, the contributions will be made accordingly into the Excess Plan.

Ask for directions

To learn how to best plan your contributions to both the RSP and the Excess Plan, be sure to take advantage of the Retirement Savings Plan Contribution Modeler available on the BorgWarner benefit website at **borgwarner.com/benefits**. You can also contact the Corporate Benefits Department if you'd like additional assistance.

Investment allocations

Changes made to your RSP account will not automatically carry over to your Excess Plan account. For example, if you change the funds in which you invest in the RSP, your changes will not alter your current investment selections in the Excess Plan. You must change these by selecting the Excess Plan (**050183**) from your listed Vanguard accounts.

Vesting

Vesting for the Excess Plan is the same as for the RSP. Any money in your Excess Plan account will be 100% vested after three years of service.

Withdrawals and distributions

No in-service withdrawals or loans are available under the Excess Plan.

If you leave the company for any reason—including retirement after age 59½—your vested account balance will be distributed to you or, in the event of your death, to your beneficiary. It cannot be rolled over.

Pre-2005 CRC and company match will be distributed within 30 days of your termination date. Post-2004 CRC and company match will be distributed six months after your termination date in accordance with current regulations. All payments will be issued by BorgWarner on the first normal pay date following your distribution date. Federal and state taxes will be applied at the time of payment.

Name a beneficiary

You must name a beneficiary for your Excess Plan account. The beneficiary named for your RSP does not carry over. You may name the same beneficiary as for your RSP account or select a different beneficiary. To select or change your beneficiary, log on to your account at **vanguard.com/retirementplans**.

If no beneficiary is named, your account balance will be paid to your surviving spouse. If you do not leave a surviving spouse, your account balance will be distributed according to the rules of the Excess Plan.

Connect with Vanguard

You can access your account and make changes in any of these ways:

- **By phone.** Call **800-523-1188**. After saying or entering your Social Security number, you can then either type "0" or ask to speak with a Vanguard Participant Services associate. Associates are available Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.
- **Online.** Log on to your account at **vanguard.com/retirementplans**. Not yet registered for immediate, secure online account access? Go to **Sign up for online access** on the logon page to get started. You can use your plan number: **050183** for the BorgWarner Retirement Savings Excess Benefit Plan.
- **On your mobile device.** Go to **vanguard.com/bemobile** to download the Vanguard app so you can access your account on the go.

Questions?

Call a Vanguard Participant Services associate at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

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Whenever you invest, there's a chance you could lose the money.

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