BORGWARNER INC.
RETIREMENT SAVINGS PLAN

SUMMARY PLAN DESCRIPTION
APRIL 1, 2019

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INTRODUCTION AND HIGHLIGHTS

This summary plan description ("SPD") briefly describes the provisions of the BorgWarner Inc. Retirement Savings Plan ("Plan") as amended and restated, effective April 1, 2019. The Plan is maintained for the exclusive benefit of participants and their beneficiaries, and has been designed to help with saving for retirement. A separate summary plan description has been prepared for a group of individuals who previously participated in the merged BorgWarner MorseTEC Inc., Ithaca Plant Retirement Savings Plan.

The term "Company" refers to BorgWarner Inc. ("BorgWarner") or one of its plants, subsidiaries, joint ventures, or affiliates for whom you work that has elected to participate in the Plan.

The Employee Benefits Committee of BorgWarner Inc. ("Committee") is generally responsible for administration of the Plan and consists of individuals appointed by the Board of Directors of BorgWarner. The Committee's members are appointed by BorgWarner for an indefinite term, and may be removed by BorgWarner at any time.

Upon being hired, a Plan account will be established in your name ("RSP Account"). You may choose to invest your RSP Account in one or more of the Investment Funds available under the Plan.

Your RSP Account consists of a Company Retirement Account and may also include a Savings Account and Retiree Health Account depending on the contributions you make to the plan. If you participated in a Company defined benefit pension plan before 1989, your RSP Account may also contain a Defined Benefit Rollover Account which holds fully vested amounts transferred from that defined benefit pension plan. If you participated in the Remy International, Inc. 401(k) Retirement Savings Plan ("Remy Savings Plan") which was merged into the Plan on December 31, 2016, your "Remy" accounts described below hold any amounts transferred from the Remy Savings Plan as a result of the plan merger.

The following tables summarize the contributions that may be made to your Company Retirement Account, Savings Account, and Retiree Health Account. More detailed information appears later in the SPD.

Company Retirement Account		
Contributions	**Description**	**Vesting**
Company Retirement Contributions (CRCs)	Company contributions equal to a percentage of Compensation and consisting of: (1) Safe Harbor CRC equal to 3% of Compensation, and (2) Regular CRC equal to the balance, if any, of CRCs you are eligible to receive after the 3% Safe Harbor	Safe Harbor CRC – 100% vested immediately Regular CRC – 100% vested after you complete 3 years of service

Savings Account		
Contributions	**Description**	**Vesting**
Before-Tax Contributions (including Before-Tax Catch-Up Contributions)	Amounts deducted voluntarily from your Compensation before Federal and most state income taxes are paid	100% vested immediately
Roth Contributions (including Roth Catch-Up Contributions)	Amounts deducted voluntarily from your Compensation **after** income taxes are paid which are designated as Roth Contributions	100% vested immediately
Traditional After-Tax Contributions	Amounts deducted voluntarily from your Compensation **after** income taxes are paid	100% vested immediately
Company Match Contributions	Company contributions based on your Before-Tax Contributions and Roth Contributions	100% vested immediately after you complete 3 years of service
Rollover Contributions	Amounts rolled over or transferred from an IRA or another eligible retirement plan	100% vested immediately

Savings Account		
Contributions	**Description**	**Vesting**
Roth Rollover Contributions	Roth amounts rolled directly over from another eligible retirement plan	100% vested
Pre-1988 Company Match Contributions	Pre-1988 matching contributions transferred from the Borg-Warner Corporation Investment Plan	100% vested
Remy Safe Harbor Match Account	"Safe Harbor Matching Contributions" made to the Remy Savings Plan on or after January 1, 2000 that were transferred to the Plan as a result of the plan merger	100% vested
Remy Prior Matching Account	"Matching Contributions" made or transferred to the Remy Savings Plan before January 1, 2000 that were transferred to the Plan as a result of the plan merger	Vested in the following percentages as of the completion of the following years of service: <u># of Years</u> <u>Vested %</u> Less than 1: 0% At least 1, but less than 2: 20% At least 2, but less than 3: 40% At least 3, but less than 4: 60% At least 4, but less than 5: 80% 5 or more: 100%

Savings Account		
Contributions	**Description**	**Vesting**
Remy Prior Profit-Sharing Account	"Profit Sharing Contributions" made or transferred to the Remy Savings Plan on or after January 1, 1999 that were transferred to the Plan as a result of the plan merger	Vested in the following percentages as of the completion of the following years of service: # of Years Vested % Less than 1: 0% At least 1, but less than 2: 20% At least 2, but less than 3: 40% At least 3, but less than 4: 60% At least 4, but less than 5: 80% 5 or more: 100%
Remy Employer 100% Vested Account	Various employer contributions made under the Remy Savings Plan that were 100% vested under the Remy Savings Plan and were transferred to the Plan as a result of the plan merger	100% vested
Remy Before-Tax Supplement Account	Supplemental before-tax contributions of certain participants under the Remy Savings Plan that were transferred to the Plan as a result of the plan merger	100% vested

Retiree Health Account		
Contributions	**Description**	**Vesting**
Retiree Health Before-Tax Contributions	Before-Tax Contributions you designate in advance as Retiree Health Account contributions	100% vested immediately
Retiree Health Company Match Contributions	Company contributions based on your Retiree Health Before-Tax Contributions	100% vested after you complete 3 years of service

When you leave the Company at retirement or at an earlier date, you may take the vested portion of your RSP Account with you, or you may leave it in the Plan until a later date.

Vanguard provides recordkeeping and trustee services for the Plan. If you have questions about your RSP Account, you may contact Vanguard at **1-800-523-1188** or **Vanguard.com**. To speak directly to a Vanguard representative, you must call between 8:30 a.m. and 9:00 p.m., Eastern time, Monday through Friday. For future reference, you should write down the date and time that you called.

This SPD summarizes the provisions of the Plan as in effect on April 1, 2019. The official Plan document and trust agreement describe the provisions of the Plan in more detail and will solely govern with respect to your eligibility to participate in the Plan and the benefits you will receive under the Plan. ***If there is a conflict between the terms of this SPD and the terms of the Plan, the terms of the Plan will control.*** You may request a copy of the Plan by contacting the Committee in writing.

Capitalized terms are defined throughout the SPD. At the end of the section entitled "Important Information About The Plan" there is a table showing the definitions of some key terms you will encounter throughout the SPD.

What is the purpose of Supplements I and II to this SPD?

Because several plans have been merged together to form this Plan and the Plan covers employees from different locations and job classifications, there are certain provisions that apply only to participants at certain locations or in certain job classifications. As a result, Supplements I and II to this SPD describe variations between the benefit rules for certain groups and the core terms of the Plan. Be sure to read any Supplement that applies to you carefully to fully understand how the Plan applies to you. If you transfer to a new location or job classification, you may need to refer to a different Supplement for your new location or job classification.

ELIGIBILITY

How do I become eligible to participate in the Plan?

You are eligible to be a participant in the Plan and have an RSP Account established in your name, if you are a common law employee of the Company who:

- Receives Compensation through the Company's United States payroll;
- Is not actively receiving contributions or accruing benefits under another qualified retirement plan of the Company or a similar plan maintained outside the United States (except that certain benefits provided under the Company's defined benefit pension plan (the BorgWarner Inc. Retirement Plan) will not preclude you from being eligible under this Plan);
- Is not listed below as an individual who is not eligible to participate; and
- With respect to Company Retirement Contributions only, you have completed sixty (60) days of employment with the Company.

You are generally not eligible to be a participant if:

- You do not receive Compensation through the Company's United States payroll; or
- You are employed as an intern or co-op; or
- You are an agent, consultant, independent contractor, self-employed individual, or leased employee; or
- You have made an irrevocable election to waive participation in the Plan in accordance with the waiver procedures established by the Committee.

What if I leave the Company and I am rehired?

If your employment with the Company terminates, the timing of your participation upon your reemployment depends on when you satisfy the eligibility requirements described above. See the "When do contributions resume if I am rehired" subsection of the CONTRIBUTIONS section for more information.

How do I enroll?

Upon being hired, you will receive an enrollment kit that includes a description of the Investment Funds available under the Plan. Vanguard will assign and mail to you a confidential four-digit Personal Identification Number (PIN) that offers you exclusive access to your RSP Account via telephone. You may also access your RSP Account via the Plan website.

As described in the CONTRIBUTIONS section of the SPD, you will be automatically enrolled to make Before-Tax Contributions to your Savings Account unless you elect otherwise. To make Before-Tax Contribution, Roth Contribution, and Traditional After-Tax Contribution elections, select how your RSP Account will be invested, or change your PIN number, you <u>must</u> contact Vanguard at **1-800-523-1188** or **by logging on to the Vanguard website at Vanguard.com**.

If you do not make an investment election, your RSP Account will be automatically invested in the default Investment Fund selected by the Committee. **For more information about directing the investment of your RSP Account, see the INVESTMENT FUNDS section of this SPD.**

CONTRIBUTIONS

How is my RSP account funded?

Your RSP Account contains contributions made by the Company and you. Contributions are generally made on a payroll period basis. Below is a snapshot of the contributions that may be made to your Company Retirement Account, Savings Account and Retiree Health Account each year. Note that each contribution with "Company" in the title is made by the Company. The contributions are explained in more detail following this snapshot.

Contribution	Account	Amount	Limit*	Vesting
Safe Harbor Company Retirement	Company Retirement	3% of your Compensation	Determined by Company	100%
Regular Company Retirement	Company Retirement	A percentage of your Compensation based on your years of service	Determined by Company	100% after 3 years of service
Before-Tax	Savings	A percentage amount you elect to defer pre-tax	Annual dollar limit or up to 70%** of your Compensation	100%
Roth	Savings	A percentage amount you elect to defer after-tax and designate as Roth Contributions	Annual dollar limit or up to 70%** of your Compensation	100%
Before-Tax Catch-Up	Savings	A portion of your Before-Tax percentage that allows you to defer to a higher IRS limit starting the year in which you turn age 50	Annual dollar limit	100%
Roth Catch-Up	Savings	A portion of your Roth percentage that allows you to defer to a higher IRS limit starting the year in which you turn age 50	Annual dollar limit	100%
Traditional After-Tax	Savings	A percentage amount you elect to defer after-tax that is a separate election from Roth	70%** of your Compensation	100%
Company Match	Savings	A dollar-for-dollar match based on your Before-Tax Contributions and Roth Contributions	Up to 3% of your deferral	100% after 3 years of service

Contribution	Account	Amount	Limit*	Vesting
Retiree Health Before-Tax	Retiree Health	Before-Tax Contributions you designate as Retiree Health contributions	Up to 3% of your Compensation	100%
Retiree Health Company Match	Retiree Health	A dollar-for-dollar match based on your Retiree Health Before-Tax Contributions	Up to $500	100% after 3 years of service

**Note that all of these contributions, except Catch-Up Contributions, are also subject to the annual limit on all contributions described under "What is the annual limit on all contributions" in the LIMITATIONS section.*
***Note that the combination of your Before-Tax Contributions, Roth Contributions, and Traditional After-Tax Contributions to your Savings Account cannot exceed 70% of your Compensation, and your total Contributions (including Retiree Health) cannot exceed 73% of your Compensation.*

When will contributions begin?

Upon becoming a participant (as explained in the ELIGIBILITY section) contributions will begin as follows:

Automatic Enrollment in Savings Account: The percentage of your initial automatic enrollment will depend on your hire date:

- If you are hired on or after April 1, 2019, you will be automatically enrolled in the Savings Account at a contribution rate of 6%. This means that 6% of your Compensation (defined below) will be automatically deducted from your paycheck and contributed as a Before-Tax Contribution to your Savings Account.

- If you are hired on or after January 1, 2017, but before April 1, 2019, you will be automatically enrolled in the Savings Account at a contribution rate of 3%. This means that 3% of your Compensation (defined below) will be automatically deducted from your paycheck and contributed as a Before-Tax Contribution to your Savings Account.

- Your automatic enrollment will begin with the first payroll period (or as soon as administratively feasible thereafter) after you have been a participant for sixty (60) days. You must contact Vanguard during your first sixty (60) days of being a participant if you:

  - do not want to wait sixty (60) days to make Before-Tax Contributions;

  - want to contribute more or less than your automatic enrollment percentage (3% or 6% of your Compensation, depending on your hire date);

- want to make Roth Contributions instead of or in addition to Before-Tax Contributions; or
- want to opt out of making contributions altogether.

You may also elect to make Traditional After-Tax Contributions to your Savings Account at any time after you become a participant.

Automatic Increases. If you (i) are hired on or after April 1, 2019 and have base compensation classified as Salary Grade 16 or higher, or (ii) are a highly compensated employee, your Before-Tax Contributions will not be automatically increased each year. If you are not in one of these excluded categories and if your Before-Tax Contributions are at least 1%, your Before-Tax Employee Contribution percentage will automatically increase each year until you reach your maximum deferral percentage:

- If you are hired on or after April 1, 2019, and if your Before-Tax Employee Contribution Percentage is at least 1%, your Before-Tax Employee Contribution percentage will increase automatically by 2% as of the first payroll date following each April 1st thereafter until you reach a maximum Before-Tax Contribution percentage of 15%.

- If you are hired before April 1, 2019, your Before-Tax Contribution percentage:

  - will increase automatically by 1% as of the first payroll date following each April 1st through April 1, 2018, until you reach a maximum Before-Tax Contribution percentage of 10%; and

  - if you had an automatic increase percentage of 0% or 1% in effect as of February 1, 2019, will be subject to a special increase to 2% effective as of the first payroll date following April 1, 2019, unless you specifically elect out of this special increase and all future automatic increases by March 29, 2019; and

  - will continue to increase automatically by 2% as of the first payroll date following each April 1st on and after April 1, 2020, until you reach a maximum Before-Tax Employee Contribution percentage of 15%.

These automatic increases will not apply if you specifically elect (i) to opt out of the automatic increase, or (ii) a different Before-Tax Contribution percentage or Roth Contribution percentage, including a contribution percentage of 0%, a different rate of increase, or a different increase date other than April 1st.

Company Match Contributions to Savings Account: If you make Before-Tax Contributions and/or Roth Contributions to your Savings Account, the Company will make Company Match Contributions to your Savings Account equal to your Before-Tax Contributions and/or Roth Contributions, up to 3% of your per payroll Compensation. The Company will not make Company Match Contributions based upon your Traditional After-Tax Contributions or Catch-Up Contributions.

Participation in Company Retirement Account: Once you become a participant with respect to Company Retirement Contributions, the Company will begin making per payroll Company Retirement Contributions to your Company Retirement Account.

Election to Participate in Retiree Health Account: Once you become a participant with respect to Before-Tax Contributions, you may elect to make Before-Tax Contributions to your Retiree Health Account. The Company will make per payroll Company Match Contributions to your Retiree Health Account equal to your Before-Tax Contributions to your Retiree Health Account, up to $500 per Plan Year.

More details on each type of account are provided below.

For more information about directing the investment of your RSP Account, see the INVESTMENT FUNDS section of this SPD.

What amounts are included in Compensation?

Contributions generally are made on a payroll period basis and determined based on your Compensation. Compensation paid to you before you are a participant with respect to Company Retirement Contributions is not counted for determining your Company Retirement Contributions under the Plan. The amount of your Compensation that can be taken into account for all Plan purposes is limited to $280,000 for 2019. This limit is subject to annual adjustment by the IRS.

"Compensation" is defined as the salary or wages you are paid by the Company during a Plan Year while you are a participant, including overtime premium, commissions, Management Incentive Plan and Employee Incentive Plan bonuses, paid-time off (such as vacation pay, holiday pay, bereavement pay, jury duty pay), short-term military pay, Before-Tax Contributions under this Plan, and any other elective deferrals you make which are excluded from your gross income under a cafeteria plan or qualified transportation fringe benefit plan, but excluding bonuses (other than Management Incentive Plan and Employee Incentive Plan bonuses), reimbursement or other expense allowances (such as education or relocation expenses or expense allowances for living in a foreign country), severance or transitional income pay, amounts contributed by the Company to a nonqualified deferred compensation plan, welfare benefits, cost-of-living adjustments, and other taxable fringe benefits provided by the Company.

Are there limits on the amount of contributions?

Contributions to your RSP Account each year are limited. The Plan places limits on the amounts you may contribute. In addition, contributions are limited by federal law, as further described in the LIMITATIONS section.

How is my Savings Account funded?

Beginning with the first administratively feasible payroll period after you became a participant, both you and the Company may make contributions to your Savings Account as described in this subsection.

Before-Tax Contributions: Upon becoming a participant, you may elect any amount of Before-Tax Contributions (expressed as a whole percentage) from 0% to 70% of your Compensation for each payroll period. If you do not take action by either electing a deferral percentage, or opting out of participation within your first sixty (60) days of becoming a participant, you will be automatically enrolled at a contribution rate of 3%. Then, beginning 60 days after you become a participant (or as soon as administratively feasible thereafter), 3% of your Compensation will be withheld from your paycheck on a before-tax basis and contributed to your Savings Account with respect to each payroll period.

Roth Contributions: Upon becoming a participant, you may also elect any amount of after-tax Roth Contributions (expressed as a whole percentage) from 0% to 70% of your Compensation for each payroll period. Amounts deducted from your paycheck and contributed as Roth Contributions to your Roth Contributions subaccount of your Savings Account are includible in your gross income at the time you would have received the Compensation had you not elected to make Roth Contributions. If you elect to contribute Roth Contributions, but you do not elect to contribute Before-Tax Contributions, you will not be automatically enrolled for Before-Tax Contributions during the 60-day automatic enrollment period described above.

Traditional After-Tax Contributions: In addition, you may elect to make Traditional After-Tax Contributions (expressed as a whole percentage) from 0% to 70% of your Compensation for each payroll period to your Savings Account.

Maximum Election: The total amount of the following contributions may not exceed 73% of your Compensation for each payroll period:

- Before-Tax Contributions
- Retiree Health Contributions
- Roth Contributions
- Traditional After-Tax Contributions

Note: The Company may establish a lower limit applicable to Highly Compensated Employees.

Election Changes: You may change, stop or resume the amount of your Before-Tax, Roth, and/or Traditional After-Tax Contributions to your Savings Account, effective as of the first day of the first administratively feasible payroll period following the processing of the request. You may do this by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**, 24 hours a day, any day. If you had your payroll deductions suspended because you took a hardship withdrawal before January 1, 2019, your payroll deductions will automatically resume as soon as administratively feasible after January 1, 2019, at the same level that applied when the suspension period began, unless you elect to change your election or to stop contributions to the Plan.

Company Match Contributions: For each payroll period you make Before-Tax Contributions and/or Roth Contributions, the Company will make a Company Match Contribution. The amount of the Company Match Contribution to your Savings Account will be equal to your Before-Tax Contributions and/or Roth Contributions to that account for the payroll period, up to a maximum of 3% of your Compensation for the payroll period. There is no Company Match Contribution for your Traditional After-Tax Contributions or Catch-Up Contributions. If you choose not to make Before-Tax Contributions and/or Roth Contributions, you will not be eligible for Company Match Contributions.

Here are some examples of the calculation of the Company Match Contribution to your Savings Account.

Example 1: Assume your Compensation is $1,500 per pay period, you elect to make Before-Tax Contributions at a rate of 4% and there are 24 pay periods during the year. For the year, you would have Before-Tax

Contributions of $1,440 (4% x $1,500 x 24), and Company Match Contributions of $1,080 (3% x $1,500 x 24). Your Company Match Contributions are less than your Before-Tax Contributions in this example because of the 3% limit on Company Match Contributions.

Example 2: Assume the same facts as Example 1, except your Before-Tax Contribution rate is 6% for the first 12 pay periods of the year and you lower it to 2% for the last 12 pay periods. You would have Before-Tax Contributions of $1,080 (6% x $1,500 x 12) and Company Match Contributions of $540 (3% x $1,500 x 12) for the first half of the year. During the second half of the year, you would have Before-Tax Contributions of $360 (2% x $1,500 x 12) and Company Match Contributions of $360 (2% x $1,500 x 12).

For the year, your total Before-Tax Contributions would be $1,440 ($1,080 + $360) and your total Company Match Contributions would be $900 ($540 + $360). Although your Before-Tax Contributions are the same as Example 1, your Company Match Contributions are lower because the 3% limit applies to Company Match Contributions on a pay period basis.

Catch-Up Contributions: If you will attain age fifty (50) before the close of the Plan Year (i.e., December 31), you are also eligible to defer additional contributions to your Savings Account for the Plan Year. For the dollar limit on catch-up contributions, please refer to the LIMITATIONS section. If you are eligible and wish to make additional Before-Tax Contributions and/or Roth Contributions to take advantage of this opportunity to contribute more to the Plan, you may do so by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

Rollover Contributions: Once you are a participant with respect to Before-Tax Contributions and/or Roth Contributions, you may be eligible to "roll over" into your Savings Account amounts from your prior employer's plan or from an IRA holding funds from your prior employer's plan (within sixty (60) days of your receipt of the funds if you received a cash distribution made payable to you). On and after April 1, 2019, if you terminate employment and become eligible for a lump sum distribution of a cash balance benefit under the BorgWarner Inc. Retirement Plan, you may also elect to make a direct roll over of that lump sum distribution into your Savings Account. Such amounts are referred to in this Plan as "Rollover Contributions." For more information on rollovers, please contact Vanguard at **1-800-523-1188** or **Vanguard.com**.

Roth Rollover Contributions: The Committee may accept a Roth rollover contribution by you as a direct rollover of Roth money from another eligible retirement plan to the extent the rollover is permitted by law. The plan will not accept a rollover contribution from a Roth IRA or an indirect rollover from another eligible retirement plan. The Committee may require you to provide information that it deems necessary or desirable to show that you are entitled to roll over the Roth distribution to another qualified retirement plan. Such amounts are referred to in this Plan as "Roth Rollover Contributions."

Loans and In-Service Withdrawals: Loans and in-service withdrawals from your Savings Account are permitted. Please refer to the LOANS and IN-SERVICE WITHDRAWALS sections of this SPD.

How is my Company Retirement Account funded?

Beginning with the first administratively feasible payroll period after you become a participant (which occurs with respect to Company Retirement Contributions after you complete sixty (60) days of employment with the Company), the Company makes Company Retirement Contributions to your Company Retirement Account for each payroll period that you are a participant and you have Compensation. If you are an employee of Sevcon USA, Inc., your service with Sevcon USA, Inc. prior to September 27, 2017 counts towards your 60 days of employment.

Amount of Company Retirement Contributions: The total amount of your "Company Retirement Contributions" is calculated based on a percentage of your Compensation as a participant and your Years of Service with the Company. To find the percentage of Compensation that is used to calculate the total amount of your Company Retirement Contributions, see Supplement I if you are compensated on an hourly basis or Supplement II if you are compensated on a salaried basis.

Safe Harbor and Regular Company Retirement Contributions: The total amount of the Company Retirement Contributions you receive may consist of two different types of contributions:

- a "Safe Harbor Company Retirement Contribution" equal to 3% of your Compensation, and

- if applicable, a "Regular Company Retirement Contribution" equal to the balance of Company Retirement Contributions that you are eligible for under the Supplement I or II table applicable to you.

The only significant difference between Safe Harbor Company Retirement Contributions and Regular Company Retirement Contributions is vesting. Safe Harbor Company Retirement Contributions are 100% vested at all times and Regular Company Retirement Contributions are 100% vested after you complete three (3) Years of Service.

Example: Following is an example showing how the total amount of your Company Retirement Contributions is calculated if you are a participant with Compensation of $1,000 for a payroll period and the total amount of Company Retirement Contributions you are entitled to under the Supplement I or II table applicable to you equals 4% of your Compensation.

Safe Harbor Company Retirement Contribution		Regular Company Retirement Contribution		Total Company Retirement Contributions
3% of your Compensation as a participant ▪3% x $1,000 = $30 Safe Harbor CRC	+	4%* minus 3%, and multiplied by your Compensation as a participant ▪4% - 3% = 1% ▪1% x $1,000 = $10 CRC	=	Safe Harbor CRC plus Regular CRC ▪ $30 + $10 = $40 Total CRC ▪ $30 is 100% vested immediately ▪ $10 is 100% vested after 3 Years of Service

*See Supplement tables

Safe Harbor Plan Status: Two different types of Company Retirement Contributions are made because the Plan currently is a "safe harbor" plan. The total amount of your Company Retirement Contribution will not increase or decrease because the Plan is a "safe harbor" plan. The plan sponsor reserves the right to suspend "safe harbor" Company Retirement Contributions under the Plan during the plan year, and you would be notified if this occurred. Any such change would not take effect until after the Plan is amended to suspend "safe harbor" contributions, but no earlier than 30 days after you are notified.

Future Changes: The Company also reserves the right to discontinue or change the amount of your Company Retirement Contributions. You will be notified if that occurs.

Loans and Withdrawals: You may ***not*** borrow or take any withdrawals from your Company Retirement Account.

How is my Retiree Health Account funded?

Beginning with the first administratively feasible payroll period after you become a participant, both you and the Company may make contributions to your Retiree Health Account as described in this subsection.

Before-Tax Contributions: Upon becoming a participant, you may elect to make Before-Tax Contributions to your Retiree Health Account. The amount of these contributions must be 1%, 2% or 3% of your Compensation each payroll period. You are not automatically enrolled in this account, so you must make an election if you want to contribute to this account.

Election Changes: You may change, stop or resume the amount of your Before-Tax Contributions to your Retiree Health Account, effective as of the first day of the first administratively feasible payroll period following the processing of the request. You may do this by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**, 24 hours a day, any day.

***Company Match Contributions*:** The Company will match 100% of your Before-Tax Contributions to your Retiree Health Account for the payroll period, up to a maximum Company Match Contribution of $500 per Plan Year.

***Loans and Withdrawals*:** Loans and in-service withdrawals are permitted from your Retiree Health Account. Please refer to the LOANS and IN-SERVICE WITHDRAWALS sections of this SPD.

Will contributions be made while I am on an unpaid leave or not actively employed?

No, if you are on a leave of absence and not receiving Compensation from the Company, all contributions stop. Unless you elect otherwise, your Before-Tax Contributions, Roth Contributions, and Traditional After-Tax Contributions will automatically resume at the rate in effect at the time of your leave as soon as administratively feasible following the date you return to active employment with the Company.

Your contributions will also stop when you no longer receive Compensation because you are no longer actively employed by the Company. If you return to employment with the Company, you will need to make a new election in order to begin contributing Before-Tax Contributions, Roth Contributions, and Traditional After-Tax Contributions under the Plan.

Will I receive contributions while on qualified military leave?

If you are on qualified military leave pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994, the Company will make required contributions on your behalf in accordance with Plan limits and the Company's applicable personnel practices. Upon your return to active employment from qualified military leave, you may also elect to make up Before-Tax Contributions and/or Roth Contributions to your Savings Account and Retiree Health Account, provided that your make-up contributions are made within the lesser of (i) three times the length of your military service period, or (ii) five years from your date of reemployment. If you choose to make up Before-Tax Contributions and/or Roth Contributions, you will also receive the applicable Company Match Contributions. Contact Vanguard at **1-800-523-1188** or **Vanguard.com** for more information.

When do contributions resume if I am rehired?

If you terminate employment after becoming a participant and are later rehired in a position eligible for plan participation, you may begin participation immediately when you are rehired, except you will not immediately become a participant for purposes of Company Retirement Contributions unless you have already satisfied the sixty (60) day eligibility requirement. If you do not make a Before-Tax Contribution and/or Roth Contribution election, or opt-out within the first sixty (60) days following your rehire date, you will be automatically re-enrolled at a Before-Tax Contribution rate of 3% of your Compensation beginning with the next payroll period (or as soon as administratively feasible thereafter).

If you terminate employment before becoming a participant for purposes of the Company Retirement Contribution and are later rehired in a position eligible for plan participation, you may begin participation for Company Retirement Contributions only after you have completed sixty (60) days of employment. Your past service with the Company will count towards this sixty (60) day requirement. The time you were gone will also count towards this requirement if you are rehired within one (1) year.

LIMITATIONS

What is the annual limit on Before-Tax Contributions and Roth Contributions?

Federal law currently limits the total amount of Before-Tax Contributions and Roth Contributions you may make to your Savings Account and Retiree Health Account (combined) in a calendar year to $19,000 for 2019. This limit is subject to annual adjustment by the IRS.

If you are eligible to make additional catch-up contributions (see page 15 "Catch-Up Contributions") to your Savings Account, the IRS limit on Before-Tax Contributions and Roth Contributions combined increases another $6,000, to $25,000, for 2019. The limit is subject to annual adjustment by the IRS.

What is the annual limit on all contributions?

The limit on all contributions to your RSP Account including all employee contributions and Company contributions, other than Catch-Up Contributions, is the lesser of (a) 100% of your Compensation paid to you during that year, or (b) $56,000 for 2019. This limit is subject to annual adjustment by the IRS. Because this $56,000 limit does not include Catch-Up Contributions, the $56,000 limit for 2019 can be increased by $6,000 to $62,000 for catch-up eligible employees who make Catch-Up Contributions.

Do special limits apply to contributions by or for certain highly compensated employees?

The Before-Tax Contributions and Roth Contributions made by highly compensated employees may be limited under Federal law. If limited, the Company must return to the highly paid participants all or a portion of their contributions to the Savings Account and Retiree Health Account. In addition, the Company Match Contributions to these accounts may be forfeited. If you are affected by these limits, the Company may, in its discretion, recharacterize any contributions that would otherwise be returned to you as Traditional After-Tax Contributions. If the Company decides to do this, you will be provided with more information at that time. In addition, the Committee may restrict the contributions made by highly compensated employees on a prospective basis to prevent their contributions from exceeding the limits.

What if I participated in another plan during the same year?

If you participate in another qualified defined contribution plan at any time during the calendar year (whether sponsored by the Company or another employer) and you exceed the annual dollar limit on Before-Tax Contributions and Roth Contributions when the contributions you make under both plans are added together, you must notify the plan administrator immediately. You must request that one or both of the plans distribute the excess to you by February 15th. If you have made both Before-Tax Contributions and Roth Contributions for the calendar year, distribution will first be made from your Before-Tax Contributions. The excess will generally be taxable to you.

Please contact Vanguard at 1-800-523-1188 or Vanguard.com if you have questions about how these limitations might affect you.

VESTING

When do my contributions become vested?

The term "Vesting" refers to the percentage you are entitled to receive from the Plan when you qualify for a distribution. Below is a table showing when each type of contribution becomes fully vested.

Contribution	Account	When Vesting Occurs
Before-Tax	Savings	Immediate
Roth	Savings	Immediate
Catch-Up	Savings	Immediate
Traditional After-Tax	Savings	Immediate
Retiree Health Before-Tax	Retiree Health	Immediate
Rollover or Transfer	Savings	Immediate
Roth Rollover	Savings	Immediate
Pre-1988 Company Match	Savings	Immediate
Defined Benefit Rollover	Defined Benefit Rollover	Immediate
Safe Harbor Company Retirement	Company Retirement	Immediate
Company Retirement	Company Retirement	After 3 Years of Service
Company Match	Savings	After 3 Years of Service
Retiree Health Company Match	Retiree Health	After 3 Years of Service
Remy Safe Harbor Match Account	Savings	Immediate
Remy Employer 100% Vested Account	Savings	Immediate
Remy Before-Tax Supplement Account	Savings	Immediate

Contribution	Account	When Vesting Occurs
Remy Prior Matching Account	Savings	In the following percentages as of the completion of the following years of service: <u># of Years</u> <u>Vested %</u> Less than 1: 0% At least 1, but Less than 2: 20% At least 2, but less than 3: 40% At least 3, but less than 4: 60% At least 4, but less than 5: 80% 5 or more: 100%
Remy Prior Profit-Sharing Account	Savings	In the following percentages as of the completion of the following years of service: # of Years Vested % Less than 1: 0% At least 1, but less than 2: 20% At least 2, but less than 3: 40% At least 3, but less than 4: 60% At least 4, but less than 5: 80% 5 or more: 100%

Exceptions: You will become fully vested in contributions subject to the three (3) year vesting requirement or the 5-year graded vesting requirement regardless of your Years of Vesting Service if you:

- Attain age sixty-five (65), suffer a Permanent Disability (the meaning of Permanent Disability is explained in the DISTRIBUTIONS section), or die, provided you are employed by the Company on that date;

- Go on qualified military leave from the Company and die or suffer a Permanent Disability while performing the qualified military service; or

- Are permanently laid off by the Company due to action taken to reduce the Company's workforce (i.e., a plant closing) and you have at least two Years of Vesting Service on the date your employment terminates.

Earnings: You become fully vested in the earnings on the contributions in your accounts when you are 100% vested in the underlying contributions. Even if you are fully vested, the value of your accounts may change depending on the investment performance (gains and/or losses) of the Investment Funds you select. For additional information on Investment Funds, refer to the INVESTMENT FUNDS section.

Year of Service: You generally earn a "Year of Vesting Service" for each twelve (12) month period of employment you complete with the Company. You will also be credited with all years of service credited to you under a predecessor's plan. If you are an employee of Sevcon USA, Inc., your service with Sevcon USA, Inc. prior to September 27, 2017 counts toward your Years of Vesting Service.

What happens during an authorized leave of absence?

If you are on an authorized leave of absence, such as a leave due to pregnancy, birth or adoption of a child, qualified military leave pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994, or layoff status with recall rights, you will be given credit for vesting purposes for the period you are absent, provided you return to employment with the Company within the period specified in the authorized leave of absence or as required by law. You should contact your local Human Resources department prior to your absence to ask questions about your rights under the Plan and the Company's applicable policies.

What happens to my vesting credit if I leave the Company and I am rehired?

If your employment with the Company terminates and you are rehired, you will be credited with the Years of Vesting Service you earned prior to your termination. In addition, if you are rehired ***before*** incurring a one (1) year break in service, the length of time between your employment termination and rehire will be included in determining your total Years of Vesting Service. If you are rehired ***after*** incurring a one (1) year break in service, the length of time between your employment termination and rehire will not be included in determining your total Years of Vesting Service.

If you were not vested at the time your employment terminated and are rehired ***before*** incurring a break in service of 60 consecutive months, the balance of your RSP Account attributable to Company Retirement Contributions and Company Match Contributions that was forfeited will be restored to the appropriate accounts along with a credit for earnings on the amount restored. If you are rehired ***after*** incurring a break in service of 60 consecutive months, the portion of your RSP Account that was not vested will remain forfeited.

INVESTMENT FUNDS

How do I direct the investment of my RSP Account?

You may choose to invest your RSP Account in one or more of the investment options available under the Plan ("Investment Fund(s)") in increments of 1% by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

You should read the prospectus and/or brochures for each Investment Fund before making any investment decision. Detailed information on the Plan's Investment Funds, including investment performance, can be obtained by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**. Performance history is also provided on your quarterly statement.

How is my RSP account invested if I do not make an election?

If you do not make an election directing the investment of your RSP Account, or until your election becomes effective, your RSP Account will be invested in the Plan's default Investment Fund. A transfer from the default Investment Fund will not be subject to any restrictions, redemption fees, or similar expenses if it occurs during the first 90 days your RSP Account is first invested in the default Investment Fund.

The Plan's default Investment Fund is the Vanguard Target Retirement Trust II with the target year closest to the year you would reach age 65. If the Plan begins using a different default Investment Fund, you will be notified. You may obtain detailed information regarding the Investment Funds by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**. Information about the Plan's default Investment Fund will also be provided to you in an annual notice.

When are contributions to my accounts invested in the Investment Funds?

Company Retirement Contributions (including any Safe Harbor Contributions), Company Match Contributions, Before-Tax Contributions, Roth Contributions, and Traditional After-Tax Contributions are invested in one or more of the Investment Funds in accordance with the procedures established by the Company and Vanguard. Here is how it works:

- Payroll information (not money) identifying the participants and the dollar amount of each contribution is sent to Vanguard at approximately the same time as you are paid.

- When this is completed, Vanguard notifies the Company, and the Company sends the applicable contributions to Vanguard.

- Vanguard reviews this information to determine its accuracy and to determine the Investment Funds to which contributions to your RSP Account will be directed in accordance with your investment elections.

- Participant contributions are reconciled and any adjustments are made.

- Subject to market conditions, Vanguard purchases the Investment Funds (other than the BorgWarner Inc. Stock Fund) at the closing price of the day in which it receives the contributions. Vanguard purchases shares of the BorgWarner Inc. Stock Fund on the day it receives the contributions but at the market price in effect at the time of purchase.

Can I change how future contributions to my RSP Account are invested?

You can change how future contributions to your RSP Account are invested at any time. All changes must be made in increments of 1%. You can make a change by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

Can I transfer my investments between Investment Funds?

You can change how the balance of your RSP Account is invested by transferring amounts in your RSP Account that are invested in one Investment Fund to another Investment Fund in increments of 1%. As you consider changes, you should be aware that the managers of the Plan's Investment Funds have adopted excessive trading policies to limit movement back and forth from an Investment Fund over a very short period of time. This may limit your ability to move amounts back into an Investment Fund after you have moved amounts out of the Investment Fund. An Investment Fund may also charge a redemption fee if you move amounts out of it after a short period of time.

You can make a change to the investment of your RSP Account or obtain more information about any applicable excessive trading policies or redemption fees by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

What happens once I make an investment change?

Each time you make a change to or transfer among the Investment Funds in your RSP Account, you will receive written confirmation from Vanguard of the change or transfer. All future contributions will be invested according to your last investment election.

In general, and subject to market conditions, Investment Fund transactions (other than the BorgWarner Inc. Stock Fund) occur at the closing price of the day on which the order to purchase or sell is received and can be acted upon. BorgWarner Inc. Stock Fund transactions occur at the value at the time the transactions settle, which is often a number of days after the day on which the order to purchase or sell is received.

May I invest my RSP Account in BorgWarner stock?

Yes, the BorgWarner Inc. Stock Fund is one of the investment options available under the Plan. You will receive a separate prospectus describing this investment. Please note the limits that may apply to investment of your RSP Account in the BorgWarner Inc. Stock Fund, as described below.

What if I am an executive officer?

Certain restrictions on transfers into and out of the BorgWarner Inc. Stock Fund and on loans and withdrawals from the Plan apply to executive officers of the Company who are subject to Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules issued under Section 16(b). If you are subject to these rules, you will be notified of the specific restrictions.

Are there limitations on my right to direct investments?

If you elect to invest in the BorgWarner Inc. Stock Fund, you may only invest up to 20% of any future contribution in the fund. In addition, the Committee may impose other restrictions on investment directions to prohibit any investment activity that the Committee, in its sole discretion, determines to be abusive, including, but not limited to, market-timing and excessive trading. Restrictions may also be imposed by the Investment Funds or Vanguard upon individual participants, classes of participants, or all participants.

When and how do I receive information about my accounts?

In addition to online access to your account information at **Vanguard.com**, you will receive a quarterly statement reflecting the activity in your accounts for that quarter. The statements are generated approximately two to three weeks after the close of each calendar quarter. The statements are also available online, and you should receive an email advising you of the availability of the online quarterly statement.

Also, you will receive a paper confirmation of any changes you initiate in your elective deferral percentage or your investment allocation within a short time after you initiate the change. Alternatively, you may request that confirmations be sent to you by email.

LOANS

Can I borrow from my RSP Account?

Loans are available from portions of your RSP Account at any time while you are in active work status with the Company. You are not eligible to take a loan if you are on layoff or on an unpaid leave of absence. You may request a loan by contacting Vanguard at **1-800-523-1188** or **Vanguard.com** on any business day. If you take a loan, a loan origination fee will be charged to your account at the time the loan is requested, as provided in Appendix A.

You may borrow from the following accounts and sources:

- Savings Account
  - Before Tax Contributions
  - Roth Contributions
  - Traditional After-Tax Contributions
  - Rollover Contributions
  - Roth Rollover Contributions
  - Pre-1988 Company Match Contributions
  - Remy Before-Tax Supplement Account
  - Remy Safe Harbor Match Account
  - Remy Prior Matching Account
  - Remy Prior Profit-Sharing Account
  - Remy Employer 100% Vested Account
  - Any additional account or subaccount established to maintain qualified non-elective contributions contributed to the Plan on your behalf

- Retiree Health Account
  - Before-Tax Contributions

Loans are not permitted from the following accounts and sources:

- Company Retirement Account
  - Company Retirement Contributions

- Savings Account
  - Company Match Contributions

- Retiree Health Account
  - Company Match Contributions

- Defined Benefit Rollover Account

How much can I borrow?

Minimum Loan Amount - The minimum loan amount is $500.

Maximum Loan Amount - The maximum loan amount which you can borrow is ***the lesser of***:

- 50% of the amount available for loans (determined as of the most recent valuation date prior to your loan request), or

- $50,000 (reduced by the amount of your highest outstanding loan balance during the twelve (12) month period prior to the day such loan is made).

What is the interest rate?

The interest rate charged on a loan will be the prime rate quoted in *The Wall Street Journal* as of the first business day of the month in which the loan is requested plus 1%. This rate will be the fixed interest rate for the entire term of the loan. If you have taken a loan prior to the beginning of a qualified military leave, the interest rate charged during your leave will be capped at 6%.

What rules apply to loans?

Your loan is subject to certain terms under the Plan. For instance:

- The minimum loan term is six (6) months. The maximum loan term is five (5) years.

- You may only have one (1) loan outstanding at a time.

- A loan will be denied if you already have an outstanding loan balance, you have defaulted on a loan as an active Employee, or your balance available for loans is below $1,000.

- The loan will be secured by assignment of a portion, not to exceed 50%, of your vested account balance.

- You may not refinance an outstanding loan.

When you take a loan, Vanguard will mail your loan check to your address of record, unless you request to receive your loan proceeds through an electronic bank transfer. Vanguard will separately mail to you a Promissory Note, which is your permanent record of the terms of the loan.

How do I repay my loan?

Your loan is repaid through payroll deductions. The amount deducted from your paycheck will be in accordance with the Promissory Note. You may prepay the outstanding balance of your loan in full at any time. Partial prepayments will not be accepted. The payments you make on your loan will be invested the same way you have chosen to invest future contributions to your RSP Account.

If you do not have an investment election on file, each repayment that you make will be invested in the default Investment Fund applicable to you.

What if I am on a leave of absence or layoff without pay or with reduced pay?

If you are on a leave of absence or a layoff from the Company without pay or at a rate of pay insufficient (after applicable withholding amounts) to make your scheduled loan repayments, you must continue to make loan payments unless you (i) elect to pre-pay the entire amount, (ii) elect to make regular repayments directly to Vanguard, or (iii) elect to suspend your loan payments for the period of your absence (but not longer than twelve (12) months). If your leave of absence is the result of military service, the twelve (12) month limit on the payment suspension does not apply. If the Company places you on short-term leave of absence for less than thirty (30) days, your loan payments will be suspended automatically unless you elect to continue making payments during the leave. You should check with the Company if you are uncertain about what type of leave you are taking.

If your loan payments are suspended, you must begin repaying your loan when you return to work or, if sooner, at the end of the twelve (12) month suspension period (regardless of whether you have returned to work). Following a payment suspension, your loan payments generally will be recalculated and increased so that your loan is repaid by the original due date. However, if your original loan term was for less than 60 months, you may request that the recalculation extend your loan term (up to the 60 month loan term limit) and/or increase your loan payments. If you fail to make a payment when due, you must make up that payment within ninety (90) days following the payment due date. Otherwise, your loan will be defaulted.

What if I fail to repay my loan while still employed?

If you fail to make a repayment in accordance with the terms of your Promissory Note, and the payment is not received within ninety (90) days of the repayment due date, your loan will be declared in default causing the balance of the loan to become due and payable. If this occurs, the total amount due will be reported to the IRS as taxable income in the year of the default. Thereafter, you will not be eligible to take any further loans from your RSP Account. After a default, you have the option to repay your defaulted loan (with interest) on an after-tax basis, but this will not remedy the fact that you are taxed on the loan in the year of the default.

What if I terminate employment?

If you terminate employment with the Company and request a distribution, then you must either pay your loan in full or your loan will be paid off with funds from your RSP Account prior to your distribution. The balance used to pay off your loan will be reported for tax purposes as part of your taxable distribution.

If you terminate employment and do not request an immediate distribution, you must continue to make loan payments. You may elect to prepay the entire amount of your loan at any time. If you fail to make a payment when due, and payment is not received within ninety (90) days of the repayment due date, your loan will be declared in default causing the balance of the loan to become due and payable. If this occurs, your loan will be paid off with funds from your RSP Account and the amount used to pay off your loan will be reported for tax purposes as a taxable distribution to you even though you receive no cash.

IN-SERVICE WITHDRAWALS

Are in-service withdrawals permitted?

You may make certain withdrawals from portions of your RSP Account while you are still employed, subject to the rules stated below and the Plan's limits. If you take an in-service withdrawal, it may be subject to income taxes and penalties. You should consult the TAX CONSEQUENCES section of the SPD for more information.

You may call Vanguard at **1-800-523-1188** to find out how much you can withdraw from your RSP Account and to request a withdrawal.

In-service withdrawals are not permitted from your:

- Company Retirement Account;
- Defined Benefit Rollover Account; or
- the portions of your Savings Account and Retiree Health Account attributable to Company Match Contributions made to this Plan (except that Pre-1988 Company Match Contributions transferred to this Plan are available for loans and in-service withdrawals).

The plan administrator may establish procedures regarding the availability and administration of in-service withdrawals, including the hierarchy for applying the withdraw to your accounts and investment funds under the Plan.

What portion of my balance can I withdraw regardless of age or hardship?

While employed by the Company, you may withdraw, for any reason, all or a portion of the balance of your Savings Account (including earnings) attributable to:

- Traditional After-Tax Contributions;
- Rollover Contributions;
- Roth Rollover Contributions; and
- Pre-1988 Company Match Contributions.

Unless you are age fifty-nine and one-half (59½) or older, you are limited to two (2) in-service non-hardship withdrawals per calendar year.

What portion of my balance can I withdraw at age 59½?

If you are age fifty-nine and one-half (59½) or older, you may withdraw, for any reason, all or a portion of your RSP Account (including earnings) attributable to Before-Tax Contributions and Roth Contributions. There is no limit on the number of withdrawals you may take after age fifty-nine and one-half (59½).

Can I request a withdrawal while on military leave?

If you are ordered or called to active military duty for a period in excess of 179 days or more, or for an indefinite period, you may request a withdrawal from the portion of your RSP Account attributable to Before-Tax Contributions and Roth Contributions (including earnings) in your Savings Account and Retiree Health Account at any time between the order or call to duty and the end of active duty ("Qualified Reservist Distribution").

What can I withdraw for hardship?

If you are ***under*** age fifty-nine and one-half (59½), then upon a showing of **"hardship"** you may request a hardship withdrawal from the balance of your RSP Account attributable to:

- Traditional After-Tax Contributions;
- Rollover Contributions;
- Pre-1988 Company Match Contributions;
- Before-Tax Contributions in your Savings Account and Retiree Health Account;
- Roth Contributions;
- Roth Rollover Contributions; and
- Any additional qualified nonelective contributions contributed to the Plan on your behalf.

A hardship withdrawal will not count against the limit of two (2) in-service non-hardship withdrawals per calendar year. You may not receive more than two (2) hardship withdrawals per calendar year.

To be eligible for a hardship withdrawal, you ***must*** have taken all withdrawals available to you under all plans maintained by the Company, and you ***must*** submit satisfactory proof that a hardship exists. If you request a hardship withdrawal, a hardship withdrawal fee will be charged to your account at the time the withdrawal is processed, as provided in Appendix A.

What is a "hardship"?

You will be deemed to have a "hardship" if you have an immediate financial need based on one of the following reasons:

- *Medical Expenses:* To pay expenses for medical care (or necessary to obtain medical care) that meet certain tax-deductibility requirements under Federal tax law (without regard to certain limitations relating to the applicable percentage of adjusted gross income) for you, or your spouse, child, dependent, or Primary Beneficiary under the Plan;

- *Tuition Expenses:* To pay tuition, related educational fees, and room and board expenses, for up to the next twelve (12) months of post-secondary education for you, or your spouse, child, dependent, or Primary Beneficiary under the Plan;

- *Purchase of Residence:* To cover costs directly related to the purchase of a principal residence for yourself (excluding mortgage payments);

- *Damage to Residence:* To pay for repair of damage to your principal residence that meet certain tax-deductibility requirements under Federal tax law (without regard to certain limitations applicable to areas that are not Federally declared disaster areas or whether the loss exceeds 10% of adjusted gross income);

- *Eviction/Foreclosure:* To make payments necessary to prevent eviction from your principal residence or foreclosure on your mortgage on that residence;

- *Funeral Expenses:* To pay for burial or funeral expenses for your deceased parent, spouse, child, dependent, or Primary Beneficiary under the Plan; or

- *Federally Declared Disaster Areas:* To cover expenses and losses (including loss of income) you incur on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

Your "Primary Beneficiary under the Plan" is an individual who is named as a beneficiary under the Plan and has an unconditional right, upon your death, to all or a portion of your Accounts under the Plan.

In order to prove an "immediate and heavy financial need," you must provide any requested documentation needed to determine whether you are entitled to take a hardship withdrawal.

Can my hardship withdrawal include amounts to pay taxes and penalties?

The amount of the hardship withdrawal must be included in your taxable income for the year you receive the distribution. To avoid an excess tax burden, the amount that is "necessary" to meet any of the "immediate and heavy financial needs" described above may include the amount of any Federal, State, or Local taxes or penalties resulting from the withdrawal. This means that you can withdraw enough to meet the "immediate and heavy financial need" and to pay any taxes or penalties that you will incur due to the withdrawal. The TAX CONSEQUENCES section of the SPD has more information about the taxes and penalties that may apply to your hardship withdrawal.

Am I penalized for taking a hardship withdrawal?

If you take a hardship withdrawal, you may be subject to a 10% early withdrawal penalty tax imposed by the IRS because you are under age fifty-nine and one-half (59½) (see the TAX CONSEQUENCES section for more information).

DISTRIBUTIONS

When can I begin receiving the balance of my RSP Account?

You are entitled to receive the vested portion of your RSP Account if your employment with the Company terminates due to retirement, Permanent Disability, death, or for any other reason. You have suffered a "Permanent Disability" if you have been determined to be disabled under the Company long-term disability plan applicable to you.

You are also entitled to receive the vested portion of your RSP Account while still employed once you attain age sixty-five (65). No limit applies to the number of in-service distributions you may take once you attain age sixty-five (65). There are other circumstances where you are entitled to receive a distribution while you are still employed. Those circumstances are described in the IN-SERVICE WITHDRAWALS section.

Special Distribution Rules for Roth Amounts: Any Roth amount withdrawn or distributed will not be subject to income taxes when paid out of the Plan as a "qualified distribution." In order to be a qualified distribution, the distribution must occur after one of the following: (1) your attainment of age 59½, (2) your disability, or (3) your death. In addition, the distribution must occur after the expiration of a 5-year participation period. The Roth contribution 5-year participation period is the 5-year period beginning on January 1st of the calendar year in which you first make a Roth Contribution to the Plan (or to another eligible retirement plan if such amount was rolled over into this Plan as a Roth Rollover Contribution) and ending on the last day of the calendar year that is 5 years later. If a distribution from your Roth Contribution Account or Roth Rollover Account is not a "qualified distribution," the earnings distributed with the Roth amounts will be taxable to you at the time of distribution (unless you roll over the distribution to a Roth IRA or to another eligible retirement plan that will accept the rollover).

To request a distribution of your RSP Account, you must contact Vanguard at **1-800-523-1188** or **Vanguard.com.** When you receive a distribution, it may be subject to income taxes. You should consult the TAX CONSEQUENCES section of the SPD for more information.

Can I defer payment of the balance of my RSP Account?

You may defer payment of your RSP Account if, at the time your employment with the Company terminates, the balance is more than $1,000. However, in no event may you defer distribution of your RSP Account beyond April 1 of the year following the later of: (i) the year you reach age seventy and one-half (70½), or (ii) the year you terminate employment with the Company.

If you elect to defer payment, you may request a distribution at any subsequent date by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**. You may continue to make changes to how the balance of your RSP Account is invested by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

How is the balance of my RSP Account paid?

When you receive a distribution, amounts not invested in the BorgWarner Inc. Stock Fund will be distributed in cash. Amounts invested in the BorgWarner Inc. Stock Fund will be distributed in cash, unless you elect to receive such amount in whole shares of common stock (plus cash for any fractional shares).

When you terminate employment with the Company, if the vested portion of your RSP Account is $1,000 or less, you will automatically receive the balance of your RSP Account in a single lump-sum distribution.

If the vested portion of your RSP Account is more than $1,000, your RSP Account may be paid in any of the following ways:

- Lump-Sum - You may elect to receive a payment of the entire balance of your RSP Account in a single lump-sum.

- Installments - You may elect to receive payment of your RSP Account in equal installments for any period, provided the period does not exceed your life or life expectancy or the joint lives or life expectancy of you and your beneficiary. Installments may be paid annually, monthly, or more frequently if permitted by the plan administrator. If you choose installments, you may call Vanguard to request payment of a scheduled installment early, but you are limited to two (2) such requests each year. You may make changes to how the remaining balance of your RSP Account is invested by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

- Partial Payments. You may elect to receive a partial payment from your RSP Account, however, you may not elect more than two (2) partial payments each calendar year. You may make changes to how the remaining balance of your RSP Account is invested by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

What happens to my RSP Account if I die?

You may elect to have your RSP Account paid to your beneficiary in a lump sum or in installments upon your death or you may allow your beneficiary to choose the manner of distribution.

If you have not begun to receive your RSP Account and you die, there are certain circumstances in which Federal law requires a distribution to a beneficiary to be made within a specific period of time. Further information on these special circumstances may be obtained by calling Vanguard at **1-800-523-1188**.

If you are receiving installment payments and you die before receiving the entire balance of your RSP Account, the unpaid balance will be paid to your beneficiary for the remaining period over which installment payments would have been made to you, unless your beneficiary elects otherwise in accordance with the provisions of the Plan.

Can I roll over my distribution?

For certain types of distributions, you may transfer (or "roll over") all or a part of the distribution into an individual retirement account or annuity ("IRA") or another employer's tax-qualified benefit plan (if that plan accepts rollovers) where it will continue to be protected from taxation.

Your distribution is generally eligible for rollover unless:

- It is a hardship withdrawal; or
- It is an installment distribution to be paid out over a period of more than ten (10) years

A direct rollover of a distribution from your accounts under the Plan that include your Roth Contributions, Roth Catch-Up Contributions, and Roth Rollover Contributions, each as adjusted for earnings and losses, may only be made to an eligible retirement plan that includes designated Roth accounts or to a Roth IRA and only to the extent the rollover is permitted by law.

Traditional After-Tax Contributions may also be eligible for rollover in certain cases, but complex rules apply so you are encouraged to seek the advice of a tax advisor.

You may call Vanguard at **1-800-922-9945** for more information on rollovers.

Will withholding apply to my distribution?

Mandatory Federal withholding of 20% applies to all taxable income distributed directly to you from the Plan (other than a distribution consisting solely of BorgWarner Inc. common stock). Mandatory state withholding may apply. You can avoid the withholding by requesting a direct rollover to an individual retirement account (IRA) or an eligible retirement plan of another employer, in which case the entire amount of the distribution will be transferred to the IRA or other plan. If you do not elect a direct rollover, the distribution will be paid to you, but the applicable amounts will be withheld for taxes. Within sixty (60) days of receiving the distribution, you may roll over the distribution (excluding any Roth amounts) to an IRA or another eligible retirement plan. At that time, you may include in the rollover – using your own funds – the amount that was withheld from your distribution. Contact the administrator of the IRA or other retirement plan to determine if and how they accept rollovers.

How is my Retiree Health Account paid?

Amounts held in your Retiree Health Account may be withdrawn under the same rules applicable to distributions from your Savings Account.

To receive a distribution from your Retiree Health Account, you must complete the applicable form which can be obtained by contacting Vanguard at **1-800-523-1188** or **Vanguard.com**.

How do I name a beneficiary for my RSP Account?

You may name one or more beneficiaries to receive the value of your RSP Account upon your death. If you are married, your spouse will automatically be your sole primary beneficiary unless your spouse gives notarized written consent to the naming of someone else as your primary beneficiary. Your beneficiary election may be changed at any time, with appropriate spousal consent, by contacting Vanguard at **1-800-523-1188** or **Vanguard.com** and either submitting the proper form or submitting your election online. You are solely responsible for ensuring that your beneficiary election is complete and, if applicable, that spousal consent has been obtained.

If you die without properly naming a beneficiary (including failing to obtain a required spousal consent) or if your beneficiary dies before you and you have not named a successor beneficiary that survives you, your RSP Account will be paid to your surviving spouse. If you have no surviving spouse, it will be paid to your estate.

If you die, and your primary beneficiary dies after becoming entitled to receive all or a portion of your RSP Account, but before receiving your entire RSP Account, the balance of your RSP Account will be paid to the beneficiary designated by your primary beneficiary in one lump sum. If your primary beneficiary dies in this case without properly naming a beneficiary, your RSP Account will be paid in a lump sum to the spouse of the primary beneficiary. If the primary beneficiary does not leave a surviving spouse, then your RSP Account will be paid in a lump sum to the primary beneficiary's beneficiary as determined under the Plan.

Can my account be assigned to someone else?

In general, your account in the Plan is not subject to your creditors while the funds remain in the Plan. It cannot be assigned or transferred by you, and cannot be used as security for a loan (other than a loan from the Plan).

However, different rules apply in the case of a "Qualified Domestic Relations Order." A Qualified Domestic Relations Order ("QDRO") is a court order meeting certain requirements that is issued under state domestic relations law and that creates a right to all or a portion of your benefit in your spouse, former spouse, child, or other dependent.

The Plan is required by law to honor all such orders that are approved by the Plan as "qualified." Therefore, once the court order is reviewed and approved by the Plan as a QDRO, your account will be divided and benefits will be paid in a lump sum when payment is mandated under the QDRO. You will be notified before the Plan complies with a QDRO.

If the Plan receives a domestic relations order with respect to your accounts under the Plan, a QDRO determination fee will be charged to your RSP Account for the review of the order to determine if it is qualified, as provided in Appendix A.

You are entitled to obtain, without charge, a copy of the Plan's QDRO procedures and a model QDRO for use by your attorney. Contact Vanguard at **1-800-523-1188** or **Vanguard.com** to obtain a copy of the procedures or the model QDRO.

TAX CONSEQUENCES

The Federal tax rules under the Code are very complex. The following is a very brief summary of some of those rules. You are encouraged to seek the advice of a qualified tax advisor.

What are the Plan's tax advantages?

The Plan is intended to be a qualified plan under Code Section 401(a), including a cash or deferred arrangement under Code Section 401(k). There are many tax advantages for employees who participate in a qualified defined contribution plan such as this Plan. Some of these advantages are:

- You pay less tax now because your Before-Tax Contributions are not currently subject to income taxation;
- You are not currently taxed on Company Retirement Contributions or Company Match Contributions;
- Any investment earnings on Company Retirement Contributions, Company Match Contributions and your Before-Tax and Traditional After-Tax Contributions are not currently taxed; and
- In most cases, the earnings on Roth Contributions and Roth Rollover Contributions are not subject to federal income taxes when distributed to you, but in order for the earnings to be distributed tax-free, there must be a "qualified distribution" of the Roth amounts, as explained in the Distributions section on page 38.

The Company also obtains a tax deduction for contributions it makes to the Plan.

How are in-service withdrawals and distributions taxed?

You may have to pay taxes when you or your beneficiary receive a distribution, either as an in-service withdrawal or distribution. However, you will _not_ have to pay taxes on any Traditional After-Tax Contributions that you receive.

You will be required to pay income taxes on distributions attributable to:

- Your Before-Tax Contributions;
- Any Company Retirement Contributions, Company Match Contributions, and Pre-1988 Company Match Contributions;

- Rollover Contributions; and
- Your Defined Benefit Rollover Account.

You may also have to pay taxes on the earnings on your Roth Contributions and/or Roth Rollover Contributions when you or your beneficiary receive a distribution of your Roth Contributions that is not a "qualified distribution."

Under most circumstances, if you receive an in-service withdrawal or distribution before you reach age fifty-nine and one-half (59½) and do not roll over the distribution to an IRA or another retirement plan, you may be required to pay an excise penalty tax of 10% on the amount distributed to you (in addition to income tax). This penalty does *not* apply to your Traditional After-Tax Contributions (including Traditional After-Tax Contributions rolled over from other tax-qualified retirement plans) or to Qualified Reservist Distributions.

If minimum distributions are required at age seventy and one-half (70½) and you do not receive at least the required minimum amount of distribution, you will be required to pay a tax equal to 50% of the amount that should have been distributed. If your employment has terminated and you have not taken a distribution of your vested account balance, you must notify Vanguard when you reach age 70½.

As discussed in the "Rollovers" portion of the DISTRIBUTIONS section, you may reduce or defer the taxes due on distributions by rolling over all or a portion of your distribution to an individual retirement account (IRA) or another eligible retirement plan. If you do not elect to have your distribution made payable directly to the trustee or custodian of an IRA or another retirement plan, however, a 20% mandatory withholding requirement applies to all taxable amounts distributed from the Plan (other than a distribution consisting solely of BorgWarner Inc. common stock). Please note that most, but not all, amounts distributed from the Plan are eligible for rollover and that your rollover rights may be limited by your other employer's retirement plan. You may call Vanguard at **1-800-523-1188** for more information on rollovers.

Do different rules apply to lump-sum distributions?

If you receive a lump-sum distribution from the Plan, the distribution may be eligible for special tax treatment, such as capital gains or income averaging (including net unrealized appreciation treatment for distributions of BorgWarner Inc. common stock). The Federal tax rules regarding lump-sum distributions are very complex and you are encouraged to seek assistance from a qualified tax advisor for more information.

How are Retiree Health Account distributions taxed?	Distributions from your Retiree Health Account will be taxable when they are made to you under the same rules applicable to distributions from your Savings Account.

BENEFIT CLAIMS

How do I file a claim for benefits?

As described in the DISTRIBUTIONS section, you must contact Vanguard to request a distribution from your RSP Account. If you believe you are entitled to a distribution and are unable to obtain it by contacting Vanguard or you feel you have been denied a benefit in full or in part, you may file a claim for benefits in writing at the following address:

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

Your claim should include any relevant information and substantiation that you think is necessary for the Committee to process your claim.

The Committee normally has ninety (90) days to respond to your claim. If the Committee denies your claim, in whole or in part, you will receive a written or electronic notice explaining the denial within ninety (90) days after the Committee's receipt of your claim. If the Committee determines that special circumstances exist requiring a ninety (90) day extension of time to process your claim, you will be notified in writing of the extension and reason for the extension within ninety (90) days after receipt of your claim. The written extension notification will also indicate the date by which the Committee expects to render a final decision.

If your claim is denied, the notice will contain the following information: (i) the specific reason or reasons for the denial; (ii) reference to the specific Plan provisions on which the denial is based; (iii) a description of any additional materials or information necessary for you to complete your claim, and an explanation of why the additional material or information is necessary; and (iv) a description of the Plan's review procedures, and the time limits applicable to those procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If the Committee denies your claim, in whole or in part, you may file a written request for a review of the denial. You must file your request within sixty (60) days after receiving written notice of the denial. You may submit written comments, documents, records and other relevant information in support of your claim. Your request for review should be mailed to the Committee at the address provided above.

Once the Committee receives your request for review, you will be provided, upon request and without charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. A document, record, or other information will be considered relevant if it: (i) was relied upon in denying the claim; (ii) was submitted, considered or generated in the course of processing the claim, regardless of whether it was relied upon; (iii) demonstrates compliance with the claims procedures process; or (iv) constitutes a statement of Plan policy or guidance concerning the denied benefit, regardless of whether it was relied upon. In reviewing a denied claim, the Committee will take into consideration all comments, documents, records, and other information submitted by you in support of your claim, without regard to whether the information was submitted or considered in the initial benefit determination.

The Committee will make a benefit determination on review no later than the date of the Committee meeting next following receipt of your request for review, unless the request for review is filed within thirty (30) days preceding the date of the meeting, in which case the Committee's determination will be made no later than the date of the second Committee meeting next following receipt of your request for review. If the Committee determines that special circumstances exist requiring an extension of time to process your claim, you will be notified in writing of the extension and reason for the extension prior to the commencement of the extension. The written extension notification will also indicate the date by which the Committee expects to render a final decision.

The Committee will notify you in writing of its determination on the appeal within five (5) days after the determination is made. The notification will be in writing in a form designed to be understandable by the average Plan participant. If your claim is denied in whole or in part on appeal, the notification will also contain: (i) the specific reason or reasons for the denial; (ii) reference to the specific Plan provisions on which the determination is based; (iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and (iv) a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. As above, a document, record, or other information will be considered relevant if it: (i) was relied upon in denying the claim; (ii) was submitted, considered or generated in the course of processing the claim, regardless of whether it was relied upon; (iii) demonstrates compliance with the claims procedures process; or (iv) constitutes a statement of Plan policy or guidance concerning the denied benefit, regardless of whether it was relied upon.

Following the Committee’s denial of a claim on review, you may file a written request with the Committee for a hearing and second review of the denied claim. You will have an opportunity at the hearing to present evidence and appear before the Committee. The timing for filing such a request and the timing and other standards for the Committee’s response to such a request is subject to the standards set forth above for the Committee’s review of denied claims. In the event that you do not timely file a request for a hearing and second appeal, the Committee’s determination in the first appeal shall be final and conclusive. Otherwise, the Committee’s determination in the second appeal shall be final and conclusive.

All determinations of claims for benefits are processed in accordance with Department of Labor regulations.

IMPORTANT INFORMATION ABOUT THE PLAN

Plan Sponsor and Participating Employers:	*BorgWarner Inc.* 3850 Hamlin Road Auburn Hills, MI 48326 A list of all employers who have elected to participate in the Plan is available upon written request to the Committee and is available for examination by participants and beneficiaries at the offices of BorgWarner Inc.
Plan Administrator:	*Employee Benefits Committee of BorgWarner Inc.* 3850 Hamlin Road Auburn Hills, MI 48326 Telephone No.: 248-754-9200 The Committee has the sole discretion to interpret the Plan and to make all determinations regarding benefits and other matters under the Plan. However, the Committee has the right to delegate its powers and responsibilities under the Plan. Claims for benefits or matters of a legal nature relating to the Plan, including service of legal process, should be addressed to the Committee. If necessary, service of legal process may also be made on the Trustee.
Trustee:	Vanguard Fiduciary Trust Company P.O. Box 1110 Valley Forge, PA 19482-1110
EIN:	13-3404508
Plan No.:	066
Type of Plan:	Profit sharing and 401(k) plan (a "defined contribution" plan)
Plan Year:	January 1 – December 31

Fees

There are three (3) types of fees that may be charged to your accounts: Plan administration fees, transaction fees, and investment management fees.

Plan administration fees represent your share of the cost of plan administration. These amounts are deducted from your account balance and paid to the Plan's service providers on a quarterly basis. Currently, there is an annual recordkeeping fee and a general administrative services fee, as provided in Appendix A.

Transaction fees are charged when you initiate certain transactions and are taken pro-rata from your existing account balances. These fees are outlined in Appendix A.

Investment management fees are charged by the investment managers of the various Investment Funds available under the Plan. Fees vary by Investment Fund and are calculated by the individual investment managers and netted from the daily price. Some Investment Funds may also charge redemption fees if a fund is not held for a specified period of time. See your prospectus materials describing the particular Investment Fund or contact Vanguard for more details.

Compliance with ERISA Section 404(c)

The Plan is a defined contribution plan subject to ERISA. The Plan is intended to constitute a plan described in Section 404(c) of ERISA and Department of Labor Regulation 2550.404c-1. To the extent of such compliance, the fiduciaries of the Plan may be relieved of liability with respect to investments you direct.

The Committee is the fiduciary responsible for overseeing investments under the Plan, but has delegated the daily administrative responsibility for implementing participant investment instructions to Vanguard. Also, Vanguard is responsible for providing the following detailed information about the Investment Funds when requested by a participant:

- Copies of any prospectuses and/or brochures for any Investment Fund;
- Copies of any other financial statements and reports provided to the Plan about an Investment Fund;
- A description of the assets held by each Investment Fund and their value;

- A description of the annual operating expenses of any Investment Fund and the aggregate annual expenses expressed as a percentage of average net assets;

- Information about the past and current value of shares or units available in the Investment Funds; and

- The current share or unit value of a participant's account.

The Plan's fiduciaries may also be relieved of liability with respect to amounts invested in the Plan's default Investment Fund, which is currently the Vanguard Target Retirement Trust II, as described in the INVESTMENT FUNDS section of this SPD.

Confidentiality

The Committee has established procedures to protect the confidentiality of information relating to participant investments in all the Investment Funds, including the BorgWarner Inc. Stock Fund. Information about any participant exercise of voting, tender and similar rights is also subject to these confidentiality procedures. Investment information and voting instructions from participants will not be divulged to anyone, including the Company or any director, officer, employee or agent of the Company. The intent is to insure that the Company (and its directors, officers, employees, agents) cannot determine the instructions given by any participant.

The Committee is the fiduciary responsible for insuring that these confidentiality procedures are followed. If you have any questions about these procedures or believe that information is not being kept confidential, please contact the Committee.

Pension Benefit Guaranty Corporation

Your benefits are not insured under the insurance provisions of ERISA which establish the Pension Benefit Guaranty Corporation. This is because the insurance provisions of ERISA do not include plans such as this one in which assets are held in individual accounts for each participant.

Amendment and Termination of the Plan

The Company intends the Plan to remain in effect indefinitely. However, the Committee has the power to amend or modify the Plan at any time and for any reason. No amendment or modification can take away your vested rights, however. In addition, BorgWarner Inc., by action of its Board of Directors, may terminate the Plan at any time and for any reason. If the Plan is terminated, you will be fully vested in the balance of your RSP Account and your account will be distributed to you. However, in some circumstances, all or a portion of your RSP Account may have to be rolled over to a successor plan maintained by the Company.

Key Terms

Following is a table repeating the definitions of capitalized terms that are used frequently throughout the Plan.

Key Term	Refers To
Traditional After-Tax Contributions	Amounts deducted voluntarily from your Compensation after income taxes are paid. Generally you will not pay income taxes on these contributions again when you withdraw them, but the earnings on them will be taxable at that time
Before-Tax Contributions	Amounts deducted voluntarily from your Compensation before Federal and most state income taxes are paid. Income taxes on these amounts generally are deferred until you withdraw them
Committee	The Employee Benefits Committee of BorgWarner Inc. which oversees the administration of the Plan
Company	BorgWarner Inc. or one of its plants, subsidiaries, joint ventures, or affiliates for whom you work that has elected to participate in this Plan
Company Match Contributions	Company contributions based on your Before-Tax Contributions and/or Roth Contributions
Company Retirement Account	The RSP sub-account that holds Company Retirement Contributions and Safe Harbor Company Retirement Contributions made on your behalf and related earnings
Company Retirement Contributions	Safe Harbor Company Retirement Contributions and Regular Company Retirement Contributions to your Company Retirement Account (the total amount of which is based on a percentage of Compensation)
Compensation	The salary or wages paid by the Company to you while you are a participant with certain inclusions and exclusions
Investment Fund	An investment option available for the investment of your RSP Account under the Plan
Plan	The BorgWarner Inc. Retirement Savings Plan
Pre-1988 Company Match Contributions	Pre-1988 Match contributions transferred from the Borg-Warner Corporation Investment Plan
Regular Company Retirement Contributions	A Company Retirement Contribution made to your Company Retirement Account which is subject to the Plan's three (3) year vesting requirement
Retiree Health Account	The RSP sub-account that holds Before-Tax Retiree Health Contributions and Retiree Health Company Match Contributions made on your behalf and related earnings

Key Term	**Refers To**
Retiree Health Before-Tax Contributions	Before-Tax Contributions you designate in advance as contributions to your Retiree Health Account
Retiree Health Company Match Contributions	Company contributions based on your Retiree Health Before-Tax Contributions
Roth Contributions	Amounts deducted voluntarily from your Compensation after income taxes are paid. Generally, you will not pay income taxes on the earnings on the Roth amounts that are distributed as "qualified distributions"
RSP Account	The Plan account established in your name to account for contributions made to the plan on your behalf and any earnings on those contributions. The RSP Account may consist of your Company Retirement Account, Savings Account, Retiree Health Account, and Defined Benefit Rollover Account.
Safe Harbor Company Retirement Contributions	A fully vested Company Retirement Contribution equal to 3% of your Compensation which is made to your Company Retirement Account
Savings Account	The RSP sub-account that holds Before-Tax Contributions, Roth Contributions, Traditional After-Tax Contributions, Company Match Contributions, Rollover or Transfer Contributions, and Pre-1988 Company Match Contributions.
SPD	This Summary Plan Description that describes the terms of the Plan
Trustee	Vanguard (the party that currently holds the assets of the plan in trust)
Vesting	The percentage you are entitled to receive from the plan when you qualify for a distribution
Year(s) of Service	Each twelve (12) month period you are employed by the Company

YOUR ERISA RIGHTS

What are my rights under ERISA?

As a participant in the Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Committee's office all documents governing the Plan, including the trust agreements and copies of all documents filed by the Plan with the U.S. Department of Labor (available at the Public Disclosure Room of the Employee Benefits Security Administration ("EBSA")), such as detailed annual reports (Form 5500 Series).

- Obtain at a reasonable charge copies of all such Plan documents and other Plan information upon written request to the Committee.

- Receive a copy of the summary of the Plan's annual financial report.

In addition to creating rights for Plan participants, ERISA imposes duties upon "Fiduciaries" - the people who are responsible for the operation of the Plan. Fiduciaries have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA. If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request copies of Plan documents or the latest annual report from the Committee and do not receive them within thirty (30) days, you may file suit in a federal court. The court may require the Committee to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Committee.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal Court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court may decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact Vanguard at **1-800-523-1188** or **Vanguard.com**. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or write to the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210.

APPENDIX A

Effective on and after January 1, 2017, the Plan will assess against an individual participant's accounts the following recordkeeping and administrative expenses, as well as plan expenses which are incurred by, or are attributable to, a particular participant based on use of a particular feature, listed by type and the amount charged. These fees are subject to future adjustment.

Annual plan recordkeeping fee. Recordkeeping services for the plan shared by all participants.	$47 annual fee
General Plan Administrative Services fee. General administrative services for the plan, such as legal, accounting or recordkeeping services.	0.02% annual fee (to be reviewed and adjusted by plan sponsor periodically)
Hardship withdrawal fee. Hardship distribution, including application processing and preparation of required notices, elections, and distribution check.	$150 fee per transaction
QDRO determination fee. Upon divorce, qualified domestic relations order ("QDRO") review and processing, including notices to parties and preparation of QDRO distribution check.	$800 fee per QDRO
Loan origination fee. Plan loan distribution, including application processing and preparation of loan documentation and distribution check.	$50 fee if loan is requested through vanguard.com or VOICE®; $100 fee if loan is requested through Vanguard Participant Services with personal assistance from a Vanguard associate
Beneficiary determination service fee. Upon death, cost of determining beneficiary and transferring account to surviving beneficiary.	$250 fee

SUPPLEMENT I– COMPANY RETIREMENT CONTRIBUTIONS FOR HOURLY EMPLOYEES

1. ***Amount*:** If you are compensated on an hourly basis, your total Company Retirement Contribution ("CRC") for each payroll period you are a participant and you have Compensation will be made in accordance with the table below.

Years of Service	CRC % of Compensation Under Social Security Wage Base	CRC % of Compensation Over Social Security Wage Base
Less than or equal to ten (10)	3%	6%
Greater than ten (10), but less than or equal to twenty (20)	4%	8%
Greater than twenty (20)	5%	10%

2. ***Definitions*:** For purposes of the table above, Compensation has the meaning described in the CONTRIBUTIONS section of the SPD. You generally earn a "Year of Service" for each twelve (12) month period of employment you complete with the Company. In some very limited cases, you may also have received credit for past service with an employer acquired by the Company. The "Social Security Wage Base" is determined annually by the Social Security Administration. For the 2019 calendar year, it is $132,900.

SUPPLEMENT II – COMPANY RETIREMENT CONTRIBUTIONS FOR SALARIED EMPLOYEES

1. ***Amount*****:** If you are compensated on a salaried basis, your total Company Retirement Contribution ("CRC") for each payroll period you are a participant and you have Compensation will be made in accordance with the table below.

Years of Service	CRC % of Compensation Under Social Security Wage Base	CRC % of Compensation Over Social Security Wage Base
Less than or equal to ten (10)	4%	8%
Greater than ten (10), but less than or equal to twenty (20)	5%	10%
Greater than twenty (20)	6%	11.5%

Notwithstanding the above, if you are a highly compensated employee for a Plan Year, your total Company Retirement Contribution will not exceed 9% of the adjusted Compensation limit for the Plan Year.

2. ***Definitions*****:** For purposes of the table above, Compensation has the meaning described in the CONTRIBUTIONS section of the SPD. You generally earn a "Year of Service" for each twelve (12) month period of employment you complete with the Company. In some very limited cases, you may also have received credit for past service with an employer acquired by the Company. The "Social Security Wage Base" is determined annually by the Social Security Administration. For the 2019 calendar year, it is $132,900.

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