

Summary Plan Description
WAGE CONTINUATION PROGRAM
HOURLY EMPLOYEES OF
LAREDO, SENECA, AND TAYLORSVILLE LOCATIONS
OF BORGWARNER INC. (the “Employer”)

PLAN YEAR: January 1 - December 31

CHANGE EFFECTIVE DATE: July 1, 2019

The Plan is set forth below and applies to all employees who are in Active Service on or after the Plan Effective date.

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SECTION 1 SCHEDULE OF BENEFITS

Class of Eligible Employees: All regular Full-time non-exempt Employees of the Employer who have completed the orientation period and working a minimum of 30 hours per week at the following locations: Seneca, SC, Laredo, TX & Taylorsville, MS.

Eligibility Waiting Period: 6 months of Active Service*

Filing Deadline: Within 30 days following date of disability

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of a covered Injury or Sickness, he or she is unable to perform all the material duties of his or her own job.

The Plan will require proof of Disability and continued Disability.

Definition of Covered Earnings: Covered Earnings means an Employee's base wage.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability

Elimination Period	Benefits begin on the first day of hospitalization or outpatient surgery
For Accident:	0 days
For Sickness:	5 work days
Gross Disability Benefit	60% of an Employee's base pay

Maximum Benefit Period

For employees hired with 6 months to 1 year of Active Service:

For Accident: 13 weeks

For Sickness: 13 weeks

For employees with 1 year of Active Service or more:

For Accident: 26 weeks

For Sickness: 26 weeks

SECTION 2 ELIGIBILITY FOR PLAN BENEFITS

An Eligible Employees shown in the Schedule of Benefits is eligible for benefits under this plan the day he or she completes the Eligibility Waiting Period. The Eligibility Waiting Period is the period the Employee must be in Active Service to be eligible for participation.

If a former Employee is rehired, a new Eligibility Waiting Period must be satisfied if there are more than 30 days between the termination date and rehire date.

SECTION 3 EFFECTIVE DATE OF PLAN ENROLLMENT

An Employee will be covered under the Plan on the date he or she completes the Eligibility Waiting Period. If an Employee is not in Active Service on the date plan enrollment would otherwise be effective, it will be effective on the date he or she returns to any occupation for the Employer on a Full-time basis.

SECTION 4 TERMINATION OF PLAN BENEFITS

An Employee's benefits will end on the earliest of the following dates:

- Date employee is no longer disabled
- Date payments from the plan are exhausted
- Date of employment termination
- It's determined the employee is unable to return to work due to long-term/permanent disability.

SECTION 5 CONTINUATION OF PLAN BENEFITS

If an Employee is on a leave of absence approved in writing by the Employer, enrollment under the Plan will continue for an Employee for the length of the approved leave of absence. An approved leave of absence does not include layoff or termination of employment.

Notwithstanding any other provision of this Plan, if an Employee's Active Service ends due to layoff, termination of employment, or any other termination of the employment relationship, enrollment in the Plan will terminate.

If an Employee's participation is continued pursuant to this Continuation of Plan Participation provision, and he or she becomes Disabled during such period of continuation, Disability Benefits will not begin until the later of the date the Elimination Period is satisfied.

SECTION 6 DESCRIPTION OF BENEFITS

The following provisions explain the benefits available under the Plan. Please see the Schedule of Benefits for the applicability of these benefits to each Class of Eligible Employees.

Disability Benefits

The Plan will pay Disability Benefits if an Employee becomes Disabled while covered under this Plan. The Employee must satisfy the Elimination Period, be under the Appropriate Care of a Physician, and meet all the other terms and conditions of the Plan. He or she must provide the Plan, at his or her own expense, satisfactory proof of Disability before benefits will be paid. The Disability Benefit is shown in the Schedule of Benefits.

The Plan will require continued proof of the Employee's Disability for benefits to continue.

Elimination Period

The Elimination Period is the period an Employee must be continuously Disabled before Disability Benefits are payable. The Elimination Period is shown in the Schedule of Benefits.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes.

Successive Periods of Disability

A separate period of Disability will be considered continuous:

- if it results from the same or related causes as a prior Disability for which weekly benefits were payable; and
- if, after receiving Disability Benefits, the Employee returns to work in his Regular Occupation for less than 26 consecutive weeks; and
- if the Employee earns less than the percentage of Covered Earnings that would still qualify him or her to meet the definition of Disability/Disabled during at least one week.

Any later period of Disability, regardless of cause, that begins when the Employee is eligible for participation under another group disability plan provided by any employer will not be considered a continuous period of Disability.

For any separate period of disability which is not considered continuous, the Employee must satisfy a new Elimination Period.

SECTION 7 RECOVERY OF OVERPAYMENT

The Plan has the right to recover any benefits it has overpaid. The Plan may use any or all of the following to recover an overpayment:

request a lump sum payment of the overpaid amount;
reduce any amounts payable under this Plan; and/or
take any appropriate collection activity available to it.

The Minimum Benefit amount will not apply when Disability Benefits are reduced in order to recover any overpayment.

If an overpayment is due when the Employee dies, any benefits payable under the Plan will be reduced to recover the overpayment.

SECTION 8 TERMINATION OF BENEFITS

Benefits will end on the earliest of the following dates:

- the date the Employee earns from any occupation, more than the percentage of Covered Earnings set forth in the definition of Disability;
- the date the Plan determines he or she is not Disabled;
- the end of the Maximum Benefit Period;
- the date the Employee dies;
- the date the Employee is no longer receiving Appropriate Care;
- the date the Employee fails to cooperate with the Plan in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to

determine whether benefits are payable or the actual benefit amount due.

SECTION 9 EXCLUSIONS

The Plan will not pay any Disability Benefits for a Disability that results, directly or indirectly, from:

- suicide, attempted suicide, or self-inflicted injury while sane or insane.
- war or any act of war, whether or not declared.
- active participation in a riot.
- commission of a felony.
- the revocation, restriction or non-renewal of an Employee's license, permit or certification necessary to perform the duties of his or her occupation unless due solely to Injury or Sickness otherwise covered by the Plan.
- any cosmetic surgery or surgical procedure that is not Medically Necessary. "Medically Necessary" means the surgical procedure is: (a) prescribed by a Physician as required treatment of the Injury or Sickness; and (b) appropriate according to conventional medical practice for the Injury or Sickness in the locality in which the surgery is performed. The Plan will pay benefits if the Disability is caused by the Employee donating an organ in a non-experimental organ transplant procedure.
- an Injury or Sickness for which the Employee is entitled to benefits from Worker's Compensation or occupational disease law.
- an Injury or Sickness that is work-related.

In addition, the Plan will not pay Disability Benefits for any period of Disability during which the Employee is incarcerated in a penal or corrections institution.

SECTION 10 CLAIM PROVISIONS

Notice of Claim

To open a new claim, contact ReedGroup at 1-800-441-9628, Monday-Friday from 8a-8p EST, by the 2nd day of an absence or up to 30 days in advance of a scheduled absence. Once your claim has been opened, you can visit the online portal to view your status and report absences at BorgWarnerloa.myleaveproservice.com. For more information, visit the disability page at www.borgwarner.com/benefits.

Claim Forms

When the Plan Administrator receives written notice of claim it will send claim forms for filing proof of loss.

Claimant Cooperation Provision

Failure of a claimant to cooperate with the Plan in the administration of the claim may result in termination of the claim or delay of payment. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Proof of Loss

Written proof of loss must be given to the Plan within 90 days after the date of the loss for which a

claim is made. If written proof of loss is not given in that time, the claim will not be invalidated nor reduced if it is shown that written proof of loss was given as soon as was reasonably possible. In any case, written proof must be given not more than a year after that 90-day period. If written proof of loss is provided outside of these time limits, the claim will be denied. These time limits will not apply while the person making the claim lacks legal capacity.

Within 30 days of a request, written proof of continued Disability and Appropriate Care by a Physician must be given to the Plan.

Time of Payment

Disability Benefits will be paid at normal Company payroll frequency.

To Whom Payable

Disability Benefits will be paid to the Employee. If any person to whom benefits are payable is a minor or is declared by a court as incompetent or, in the opinion of the Plan, is not able to give a valid receipt, such payment will be made to his or her legal guardian. However, if no request for payment has been made by the legal guardian, the Plan, may at its option, make payment to the person or institution appearing to have assumed custody and support.

If an Employee dies while any Disability Benefits remain unpaid, the Plan may, at its option, make direct payment to any of the following living relatives of the Employee: spouse, mother, father, children, brothers or sisters; or to the executors or administrators of the Employee's estate. The Plan may reduce the amount payable by any indebtedness due.

Payment in the manner described above will release the Plan from all liability for any payment made.

Physician/Patient Relationship

The Employee will have the right to choose any Physician who is practicing legally. The Plan will in no way disturb the Physician/patient relationship.

SECTION 11 DEFINITIONS

Please note, certain words used in this plan document have specific meanings. These terms will be capitalized throughout this document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the Schedule of Benefits.

Accident

An Accident is a sudden, unforeseeable event that causes bodily Injury to an Employee within 90 days of the event and occurs while coverage for an Employee is in effect.

Active Service

An Employee is in Active Service on a day which is one of the Employer's scheduled work days if one of the following conditions are met:

- The Employee is performing his or her Regular Occupation for the Employer on a Full-time basis. He or she must be working at one of the Employer's approved places to perform work or at

- some location to which the Employer's business requires the Employee to travel.
- The day is a scheduled holiday or vacation day and the Employee was performing his or her Regular Occupation on the preceding scheduled workday.
- The Employee is on an approved Leave of Absence from the Employer.

An Employee is considered in Active Service on a day which is not one of the Employer's scheduled work days only if he or she was in Active Service on the preceding scheduled work day.

Appropriate Care

Appropriate Care means the determination of an accurate and medically supported diagnosis of the Employee's Disability by a Physician, or a plan established by a Physician of ongoing medical treatment and care of the Disability that conforms to generally accepted medical standards, including frequency of treatment and care.

Claim Administrator: Reed Group Management LLC, 10355 Westmoor Dr. Westminster, CO 80021. The vendor, assigned by the Plan Sponsor, to administer application of this policy to Employee requests for disability, determine disability length, and end of disability qualifying period.

Disability Earnings

Disability Earnings mean Employee's base salary.

Employee

For eligibility purposes, an Employee is an employee of the Employer in one of the "Classes of Eligible Employees." Otherwise, Employee means an employee of the Employer who is participating under the Plan.

Employer

The Employer and any affiliates or subsidiaries covered under the Plan.

Full-time

Full-time means the number of hours set by the Employer as a regular work day for Employees in the Employee's eligibility class.

Good Cause

A medical reason preventing participation in the Rehabilitation Plan. Satisfactory proof of Good Cause must be provided to the Plan.

Injury

Any accidental loss or bodily harm which results directly or indirectly of all other causes from an Accident.

Physician

Physician means a licensed doctor practicing within the scope of his or her license and rendering care and treatment to the Employee that is appropriate for the condition and locality. The term does not include an Employee, an Employee's spouse, the immediate family (including parents, children, siblings)

or spouses of any of the foregoing, whether the relationship derives from blood or marriage), of an Employee or spouse, or a person living in an Employee's household.

Plan

Refers to the salary continuance benefits provided by the Employer and affiliates as in effect from time to time.

Plan Administrator: BorgWarner Inc. c/o Employee Benefits Committee 3850 Hamlin Road Auburn Hills, MI 48236 248-754-9200

Regular Occupation

The occupation the Employee routinely performs at the time the Disability begins. In evaluating Disability, the Plan will consider the duties of the occupation as it is normally performed in the general labor market in the national economy. It is not work tasks that are performed for a specific employer or at a specific location.

Sickness

Any physical or mental illness or disease.

SECTION 12 FUNDING POLICY

The financial responsibility for payment of benefits under the Plan rests with the Plan Administrator, and its cost is financed by the Employer.

SECTION 13 ADMINISTRATION OF THE PLAN

- The administration of the plan is supervised by the Plan Administrator, however, it is the principal duty of the Claim Administrator to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan. The Claim Administrator will determine disability and report approval or denial of benefit payment to the Plan Administrator, subject to the applicable requirements of law;
- To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of law;
- To interpret the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan.

The Claim Administrator's powers include, but will not be limited to:

To decide all questions concerning the Claim and the eligibility of any person to participate in the Claim;

Examination of Records.

The Claim Administrator will make available to each participant any records under the Claim that pertain to him, for examination at reasonable times during normal business hours.

Claims Procedures.

The Claim Administrator shall adopt a claims procedure to provide adequate notice to a participant whose claim is denied setting forth the specific reasons for a denial, written in a manner calculated to be understood by such person and offering a reasonable opportunity to respond in a full and fair review of such denial.

Appeal Rights

If you disagree with the Claim Administrator's decision regarding your STD benefit, you may appeal this benefit denial (in whole or in part), by filing an appeal. You must file your appeal within 180 days from your receipt of the denial letter.

To appeal the denial of a claim, write to:

ReedGroup
P.O. Box 6248
Broomfield, CO. 80021
Attention: Appeals Department

As a part of the appeals procedures, you may:

- Submit written comments, documents, records, and other information related to your claim;
- Upon request and free of charge, obtain reasonable access to, and copies of, all documents, records and other information relevant to your claim.
- ReedGroup will review your claim, taking into account all comments, documents, records and other information you submit relevant to your claim (without regard to whether such information was submitted or considered in the initial benefit determination).
- The review on appeal will not consider the initial denial and it will be conducted by an individual who is neither the individual who initially denied the claim nor the subordinate of such individual.
- You will be notified in writing of the decision on your appeal within a reasonable period of time but not later than 45 days after ReedGroup receives the request for review.

The review period may be extended for an additional 45 days, if necessary. You will be notified by ReedGroup if additional time is needed.

SECTION 14 MISCELLANEOUS

This plan is a non-qualified benefit program under the BorgWarner Inc. Flexible Benefits Plan.

Effect on Employment.

This Plan shall not confer upon any person any right to be continued in the employment of the Employer or a Participating Employer.

Alienation of Benefits.

Except as otherwise provided by law, no benefit under this Plan may be voluntarily or involuntarily assigned or alienated.

Amendment, Suspension or Termination of the Plan.

The Employer reserves the right to alter, amend or modify the Plan, and to suspend or terminate the Plan and any such payments.

Exclusivity and Enforceability.

The Plan is maintained for the exclusive benefits of participants. The rights conferred upon participants and their covered dependents under this Plan, including such materials as may be incorporated herein by reference, shall be legally enforceable.

Revision and Continuance of Plan.

The Company expects to maintain the Plan indefinitely but reserves the right to amend or terminate the Plan at any time and in any manner, with or without notice, if the Company believes the situation so requires. You will be notified in writing if there is any significant amendment or if the Plan is terminated.