

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

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

Below is a summary of the Plan’s features.

Eligibility

You are eligible to participate in the Plan after 60 days of employment with respect to the ability to contribute (1) before-tax elective deferrals, (2) Roth elective deferrals, (3) after-tax employee contributions, and (4) before-tax retiree health contributions. With respect to company matching contributions and company retirement contributions, you are eligible after 6 months of employment with the Company. To enroll in the Plan, change your payroll deferral percentage, or change investment elections, contact Vanguard Participant Services using the instructions below. If you fail to choose to participate in the Plan (or fail to opt out of participation) you may be automatically enrolled in the Plan. See “Direct your paycheck deduction” below for additional information.

Payroll deferrals

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

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

For a list of the current IRS Contribution Limits please access the following link:
www.vanguard.com/contributionlimits

Company matching contributions

The Company will make a company matching contribution to your account each payroll period equal to 100% of the amount of your before-tax elective deferrals and/or Roth elective deferrals up to 3% of your compensation for the payroll period. In addition, the Company may make a company matching contribution to your account based on your before-tax retiree health contributions to the extent provided under the Collective Bargaining Agreement. Your match is

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calculated on a payroll by payroll basis and will be made whether you are automatically enrolled or affirmatively elect your payroll deferral contributions. After-tax employee contributions and catch-up contributions are not matched.

Direct your paycheck deduction

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

If you fail to choose to participate in the Plan, (or fail to opt out of participation) within the first 60 days of becoming eligible to contribute to the Plan, you will be automatically enrolled with an initial contribution rate of 3% of your compensation. Each year after the first year of participation, unless you elect otherwise, your contribution rate will be increased by 1% until you reach the Plan's designated automatic savings limit of 10% of your compensation. This automatic contribution rate increase generally occurs as soon as possible after the first day of September each year. The automatic increase feature does not apply to highly compensated employees (HCEs).

How to opt out or make changes

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

Direct your investments

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

Your Right to Diversify Investments in Company Stock

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

Your Rights Concerning Employer Securities

For plan years beginning after December 31, 2006, the Plan must allow you to elect to move any portion of your account that is invested in company stock from that investment into other investment alternatives under the Plan. This right extends to all of the company stock held under the Plan. You may contact the plan administrator or Vanguard, as explained below, for specific information regarding this right, including how to change your investment election. In deciding whether to exercise this right, you will want to give careful consideration to the information below that describes the importance of diversification. All of the investment options under the Plan are available to you if you decide to diversify out of company stock.

The Importance of Diversifying Your Retirement Savings

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

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

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

For More Information

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

Your Plan default funds

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

Change your investments

You can redirect your future contributions and change the way your Plan account balance is invested anytime, subject to each fund's trading restrictions and any purchase fees (if applicable). If you make an exchange out of the default fund, you cannot put money back into the same fund online or by phone within 60 days; however, you may be able to make an exchange via U.S. mail. Please refer to the fund's prospectus or contact Vanguard for more information.

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

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

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

Connect with Vanguard®

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

The prospectus contains important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at www.vanguard.com.**

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

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

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

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