

SCHAEFFLER FINANCE B.V.

NOTICE OF FULL REDEMPTION

(April 24, 2017)

Senior Secured Notes

\$700,000,000 4.25% Senior Secured Notes due 2021 (the **Notes**)

(Regulation S Global Note: Common Code 106876550, CUSIP N77608AG7, ISIN USN77608AG79)*
(Rule 144A Global Note: Common Code 106876576, CUSIP 806261AJ2, ISIN US806261AJ29)*

Reference is hereby made to the indenture dated May 14, 2014 among, *inter alios*, Schaeffler Finance B.V. (the **Issuer**), Schaeffler AG and certain of its subsidiaries (the **Guarantors**) and Deutsche Trustee Company Limited (the **Notes Trustee**) (as so amended or supplemented, the **Indenture**) pursuant to which the Issuer has issued the Notes.

Capitalized terms used but not otherwise defined herein shall have the meaning assigned to such terms in the Indenture.

Pursuant to Section 3.04(b) of the Indenture, the Issuer hereby provides notice of the following information relating to the redemption of the Notes:

The redemption date shall be May 24, 2017 (the **Redemption Date**).

The record date shall be May 23, 2017 (the **Record Date**).

The Notes are to be redeemed according to Section 6(c) of each Global Note thereof.

The Notes will be redeemed at a redemption price (the **Redemption Price**) of:

- (i) 102.125% of the principal amount thereof, *plus*
- (ii) accrued and unpaid interest thereon up to, but excluding, the Redemption Date, in a total amount of \$743,750 (corresponding to \$1.0625 for each \$1,000 Note).

Unless the Issuer and the Guarantors default in making such redemption payment, interest on the Notes called for redemption shall cease to accrue on and after the Redemption Date.


Payment of the Redemption Price will only be made upon presentation and surrender of the Notes to the relevant Paying Agent at the places set forth below:


Principal Paying Agent	Luxembourg Paying Agent	U.S. Paying Agent
Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom	Deutsche Bank Luxembourg S.A. 2, boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg	Deutsche Bank Trust Company Americas 60 Wall Street MS: NYC60-1630 New York, NY 10005 United States of America For Information call 1-800-735-7777

The method of delivery is at the option and risk of the Holder. On the Redemption Date, the redemption payment will become due and payable.

Notwithstanding anything herein to the contrary, the completion of the redemption described herein is subject to the satisfaction of certain conditions required pursuant to the Indenture. The Issuer may revoke this Notice of Full Redemption in full or in part at any time prior to the Redemption Date.

[Remainder of page left blank intentionally]

By: 
Name: Cornelis Bol
Title: Managing Director

By: 
Name: Dietmar Heinrich
Title: Managing Director

* The Common Codes, CUSIPs and ISINs are included solely for the convenience of the Holders. The Issuer is not responsible for the use or selection of these numbers, nor is any representation made as to the correctness or accuracy of such numbers printed on the Notes or as listed in this notice of redemption. Reliance may be placed only on the other identification numbers printed on the Notes.

IMPORTANT TAX INFORMATION CONCERNING THE NOTES

Please Read This Notice Carefully

EXISTING FEDERAL INCOME TAX LAW MAY REQUIRE THE WITHHOLDING OF 28% OF ANY PAYMENTS TO HOLDERS PRESENTING THEIR (SECURITIES) FOR PAYMENTS WHO HAVE FAILED TO FURNISH A TAXPAYER IDENTIFICATION NUMBER, CERTIFIED TO BE CORRECT UNDER PENALTY OF PERJURY. HOLDERS MAY ALSO BE SUBJECT TO A PENALTY OF \$50.00 FOR FAILURE TO PROVIDE SUCH NUMBER. CERTIFICATION MAY BE MADE TO THE PAYING AGENT ON A SUBSTITUTE FORM W-9 OR W-8.

(Signature page to Redemption Notice)