

26 June 2017

## Bandag Tyre Licensing Agreement

Dear Bandag Stakeholder,

The time for speculation on Bandag SA's future has come to an end. After months of 'tyreless' negotiations we are pleased to announce that Bandag SA has signed an extension to its Tyre Licensing Agreement (TLA) with Bridgestone Bandag, retaining the exclusive ownership of the Bandag brand!

This is good news for Bandag SA, its franchisees, its fleet customers, its employees, its suppliers and its shareholders. Through the extension of the TLA, many opportunities present themselves with continuity of the Bandag brand in Southern Africa being the foremost.

The following points are critical to understanding the impact of the TLA extension:

- The TLA extension provides for an additional fifteen years.
- The Bandag brand equity and all its IP remains the exclusive domain of Bandag Southern Africa (Pty) Ltd.
- There is no change in ownership of Bandag SA and it remains 100% South African.
- Local management and stakeholders have been entrusted to continue growing the Bandag brand within the region.
- The ability to respond to local market needs and conditions remains with Bandag SA to ensure continued success – 'Think global, act local'.

In a changing marketplace, with many challenges, we are pleased to offer our employees and franchisees stability to not only overcome these challenges, but to grow and prosper.



At this critical stage an evolving business model is fundamental and with the international exposure of Bridgestone Bandag, we are preparing to offer world class innovations in retreading and fleet management. As part of our continued support to franchisees and fleet customers, the TLA extension will provide the following innovations and benefits:

- Premium Application Specific tread products
- Global rubber compound research and development
- Modern retread manufacturing equipment
- Approved consumables and accessories
- Tried and tested fleet solutions
- The powerful Bandag brand will continue to grow
- Cradle to grave tyre management solutions

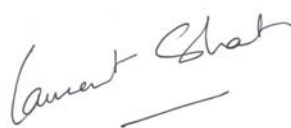
Bandag SA is a globally compliant licensee of Bridgestone Bandag. Bandag SA remains independent, premium and exclusive. Our customer centric approach remains our core focus as we look to the positive future ahead of us.

In closing, we want to thank all Bandag employees, franchisees, fleet customers and suppliers for their support and contribution to the success of Bandag SA. The TLA extension together with your continued support and contributions will ensure we reach even newer heights.

Yours sincerely,



John Laskarides  
CEO



Laurent Colrat  
Managing Director



Jonathan David  
Manufacturing Director

