



August 13, 2013

Dear Tupelo Employee:

I understand many of you are thinking about the pending merger of Cooper and Apollo and how it may affect your future, your family's future, and the future of the Tupelo plant. I have also heard there are some outsiders in town trying to promote their own agenda by building fear among those who have made the Tupelo facility a standard for the type of culture and performance we are seeking across all of our facilities.

I am writing this letter for two reasons:

- (1) To better inform you about the upcoming merger; and
- (2) To ask you not to let outsiders use scare tactics to negatively influence what I believe to be a great culture at a plant that has no reason to fear the future.

Tupelo is an awesome plant. That fact has been reaffirmed with each and every visit I make to your facility. You have a great team, an outstanding culture, and a work ethic that allows you to continue to place at the top of the entire tire industry – especially when it comes to safety. Your plant's "can do" attitude and alignment to the business prompted Cooper's decision to add Tupelo to the Company's annual incentive program (AIP) in 2012. This was a well-deserved recognition for the entire plant that adds another earnings opportunity and allows each of you to benefit from the overall results of the Company as well as what you achieve at Tupelo.

As I have told each plant during my visits, the best way to continue to secure the future of the plant and Cooper is to continue to improve results. Tupelo has "walked the talk" and continues to impress me with the amount of continuous improvement you are driving. For that, I cannot thank you enough for being a benchmark plant for others to follow.

Certainly, there is a level of anxiety that comes along with any major change. The pending merger with Apollo, coupled with the decline in volumes we have experienced, is naturally going to create some questions and concerns. Let me try to address those concerns.

First, the pending merger. I've personally met with the owners of Apollo, and I can tell you that I am excited about our future. Apollo intends to grow this business. They have no facilities in the U.S. (or North America, for that matter) and have already committed to retaining Cooper facilities worldwide and to not outsource North American manufacturing. In the combined company, North America will be over 40% of the business. The Apollo leadership team supports Cooper's five-year plan and it has been factored into the finance model for the transaction – including the capital investments to support the continuous improvement at each of our facilities. Would this be the case if we merged with another company such as Goodyear, Michelin, or Bridgestone? I don't believe so. In fact, I doubt that all of our plants in the U.S. would be as secure as they are now if we were to merge with another company.

The combined Cooper/Apollo organization will have a truly global manufacturing and technical footprint to be able to compete in both the biggest and fastest growing tire markets in the world. To create this type of footprint would take many years for either company to achieve on its own. Together, we can expedite growth and spread out the overall risk by competing in more markets and entering or expanding markets faster than we could if working on our own. Having a global footprint also allows us to take advantage of scale by reducing costs in areas such as purchased materials. The bigger you are, and the more global you are, the more buying power you have with suppliers. Given that 55-70% of the cost of a tire is driven by raw materials costs, this is important. Additionally, a global manufacturing footprint opens up opportunities to manufacture Cooper brands in Apollo's plants for their existing markets, such as India and Africa. Equally, we can make Apollo's brands in our plants to sell into our existing markets including North America, China, and others.

Given the current state of our business, where we are experiencing decreased volumes, additional brands to sell to our customers will be a welcome opportunity for growth. Apollo has existing relationships with several OEM customers and, as you know, Cooper has just recently entered the OE business with Ford. This should help us accelerate new opportunities for growth with OEMs in the U.S. Finally, Cooper currently has no access to farm tires or off-the-road (OTR) tires in our current manufacturing. Apollo has this capability, which ultimately will allow us to sell these products in our existing markets – creating an entirely new distribution channel that we don't participate in today at all. These are exciting prospects that will materialize quickly as a combined company.

Now, I want to address something that seems to be a continuing question – the debt. What's interesting about this is that some of the same people who claim this agreement includes too much debt also call out Cooper for not acquiring Apollo. If Cooper had acquired Apollo or another company, the debt level would likely be similar or higher than what this merger entails. To be clear, the debt involved in this transaction is actually below average for a transaction of this type. I am comfortable with the structure of the debt and am confident there will be sufficient cash flow generation to fund expansion, working capital, and other operating requirements with a cash buffer left over to pay down the debt. Keep in mind the principal on the debt does not come due for another seven to eight years at which time it can be refinanced, if necessary.

Because of the debt, I realize there are concerns about retirement plans. The Company provides opportunity through the Principal Financial Group (PFG) to assist you with planning for retirement. Many of you have already participated in meetings and in one-on-one sessions with PFG representatives. I would encourage everyone to speak with PFG regarding your individual retirement plans. With that said, I think you have all heard this before – your 401-k retirement accounts are in a trust that is protected by government entities. The same is true for your pension funds. The monies in the trust cannot be touched by Cooper, nor can they be touched by Apollo. The ONLY way to get money out of that trust is to pay a benefit to the beneficiary – you! THESE FUNDS ARE INSURED by a government agency (the PBGC). I have heard many people ask for guarantees or assurances related to these retirement funds. The bottom line is these funds are in a trust and the trust is insured by our government. The rumor being spread that Apollo would be able to go into the pension funds to help

pay the interest on the debt is a false statement being used to frighten the beneficiaries. Again, this is not true and is further evidence of attempts to confuse and provoke fear!

In addition to retirement funds, I know there is a question about future pay and benefits. Let me assure you that Apollo has made commitments to maintain the level of pay and benefits you have now. They trust the leadership at Cooper and realize the contributions Tupelo makes as one of our most successful plants, and they understand that your compensation package, including participation in the AIP, is in recognition of, and tied directly to, the outstanding performance you continue to deliver.

The compensation and benefits package allows Tupelo to recruit excellent people while manufacturing highly competitive products. We continue to invest in automation and new products (CS-3, CS-5, for instance) because of Tupelo's competitiveness and ability to produce quality product. I can tell you that no changes are anticipated for Tupelo, and it is absolutely not true if someone is telling you otherwise. Pay increases, whether they are merit or lump sums, performance bonuses, and matching contributions to your 401-k savings plan, will continue to be an essential tool to recognize the contributions Tupelo is making to Cooper, and, in the future, Apollo.

I've only been in the tire industry for three years, and I've tried to absorb as much information as possible over that time. I can tell you I've learned a lot from the Tupelo plant. I am proud to have a world-class facility such as yours in our portfolio of plants – you should be proud too. I've learned that the people in Tupelo have nothing but the best intentions for Cooper as witnessed when many of you deployed to Findlay in light of the work stoppage there to ensure our Company was protected from those with agendas not in our best interests.

I suspect that certain parties are envious of what Tupelo has done and will do whatever they can to bring you down to a level that no longer allows you differentiate yourselves from the pack. Perhaps that is the issue – Tupelo's outstanding performance is a threat, and the only way some see to squash the threat is by creating fear of the unknown and telling you that your pay is going to be cut, your benefits slashed, your plant closed or jobs lost – all because you don't have a contract with the Company. I'm here to tell you that you should not have those concerns. We will continue to invest in Tupelo because it has continually proven it will deliver results that make us a better company. You have earned our trust because you deliver great quality tires at a competitive price. I have full intentions of continuing that trend well into the future.

What else have I learned from being in the tire industry? Cooper is just the latest to be involved in a merger. As many of you know, Firestone merged with Bridgestone (Japanese company) in the late 1980s. Uniroyal/Goodrich merged with Michelin (French company) about the same time. General Tire merged with Continental (German company) also. I believe that after these mergers, the only plants closed afterwards were those that were not perceived as competitive within the combined entity. I have faith in Tupelo and believe that your competitiveness will only continue to improve due to the investments we are making and the people who care so much about the success of this great plant.

As for our other U.S. plants, I can tell you that we are currently talking to the union as we do throughout the length of any contract. Now is no different than any other time – especially since we already have

agreements with the local unions through 2016 and 2017. In Cooper's view, those agreements are not open for bargaining at this time, so if you are being told these agreements are being re-negotiated, that is not true. We make every effort to communicate with all employees, and we are always willing to listen and address their concerns. That is what we are doing now with the union. Just as with Tupelo, my expectation is that Findlay and Texarkana continue to strive to be the best-cost supplier they possibly can be. They are an essential part of the Cooper family just as all of our facilities are globally. Apollo acknowledges this and has communicated such by coming right out and saying they will not close any of Cooper's facilities. Apollo needs our plants to grow and for each of them to remain cost competitive while producing quality products.

I want you to know that no plant in the U.S. has any greater security than you do based on your results. Your results speak loudly and profoundly that this is a plant with a very bright future. The Apollo merger will present new opportunities for all of our plants, but especially those with the most cost competitive and quality driven capabilities. Tupelo is well positioned for continued growth, and I congratulate and thank you for that.

I am providing my email and cell phone below in the event you would like to discuss anything further. I wish you and your families the best. Again, thank you for your commitment to Cooper.

Sincerely,

A handwritten signature in cursive script that reads "Chris".

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