

BANDAG, INCORPORATED
AMENDED AND RESTATED CHARTER OF THE NOMINATING AND
CORPORATE GOVERNANCE COMMITTEE

(Adopted March 9, 2004)

Statement of Purpose

The Nominating and Corporate Governance Committee (the “Committee”) shall provide assistance to the Board of Directors of Bandag, Incorporated, an Iowa corporation (the “Company”), in fulfilling its responsibilities by:

1. Identifying individuals qualified to become directors and recommending to the Board of Directors candidates for all directorships to be filled by the Board of Directors or by the shareholders of the Company (set forth as Exhibit A hereto is the policy and procedures for shareholder director nominees);
2. Identifying directors qualified to serve on the committees established by the Board of Directors and recommending to the Board of Directors members for each committee to be filled by the Board of Directors;
3. Developing and recommending to the Board of Directors a set of corporate governance guidelines for the Company, including matters of (i) board organization, membership and function and (ii) committee structure and membership;
4. Taking a leadership role in shaping the corporate governance of the Company; and
5. Determining the compensation and other benefits of members of the Board of Directors.

Committee Membership and Qualifications

The Committee shall consist of not less than three members of the Board of Directors, each of whom shall meet the independence requirements of the New York Stock Exchange, Inc. (the “NYSE”) and the Chicago Stock Exchange, Incorporated (the “CHX”).

Appointment and Removal of Committee Members

The Board of Directors shall appoint the members of the Committee annually or as necessary to fill vacancies on the recommendation of the Committee. Each member shall serve until his or her successor is duly elected and qualified or until such member’s earlier death, resignation or removal. The Board of Directors may remove any member of the Committee, with or without cause, by a majority vote.

Chairperson

The Board of Directors shall appoint the Chairperson of the Committee. The Chairperson will chair all regular sessions of the Committee and, in consultation with the Chairman of the Board of Directors, set the agendas for Committee meetings.

Meetings

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. Any member of the Committee may call meetings of the Committee. All meetings of, and actions taken by, the Committee shall be held and taken pursuant to and in accordance with the Company's by-laws.

The Committee may invite to its meetings any officer, employee or director of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

The Committee believes the policies and procedures by which it carries out its responsibilities should remain flexible in order to be in the best position to react to changing conditions and to ensure that the Committee is able to fulfill its duties and responsibilities efficiently and effectively. The Committee will from time to time adopt such additional policies and procedures for the conduct of its business pursuant to this Charter as the Committee members may deem necessary or appropriate. Any such additional rules or procedures shall be consistent with the Company's restated articles of incorporation and by-laws and this Charter, in each case as in effect from time to time.

Responsibilities and Duties

In furtherance of its purpose, the Committee shall have the following responsibilities and duties:

Recommendations Relating to the Selection of Director Candidates to Serve on the Board of Directors

1. The Committee has established criteria for the selection of potential directors, which are attached hereto as Exhibit B (the "Criteria"). The Committee may modify or amend the Criteria from time to time, as the Committee may deem necessary or advisable. In addition to the Criteria, the Committee may take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge.
2. The Committee shall identify individuals believed to be qualified as candidates to serve on the Board of Directors and recommend to the Board of Directors candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee shall take into account the Criteria and the extent to which the candidate would fill a present need on the Board of Directors. In fulfilling its responsibilities as outlined above, the

Committee shall consult from time to time, as appropriate, with the Chairman of the Board of Directors.

3. The Committee shall review the qualifications and effectiveness of existing Board members on an annual basis and make recommendations to the full Board of Directors whether they should stand for re-election. The Committee shall recommend to the Board the removal of a director where appropriate.
4. The Committee shall consider and make recommendations to the Board of Directors on matters relating to the retirement of Board members.
5. The Committee shall conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. In that capacity, the Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Company, including sole authority to approve the fees payable to such search firm and any other terms of retention. The Committee shall also have the right to use reasonable amounts of time of the Company's internal and independent accountants, inside and outside lawyers and other internal staff.
6. The Committee shall recommend to the Board standards for determining director independence consistent with the requirements of the Securities and Exchange Commission, the NYSE, the CHX and other applicable guidelines on best practices. The Committee shall also periodically review the director independence standards established by the Board of Directors and recommend such changes in those standards as the Committee determines to be appropriate.
7. The Committee shall review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse backgrounds. In fulfilling this responsibility, the Committee shall, as appropriate, consult with the Chairman of the Board of Directors.
8. The Committee shall periodically review the orientation process for all new directors.
9. At least annually, and as circumstances otherwise dictate, the Committee shall oversee evaluations of the Board of Directors.

Committee Selection and Composition

10. The Committee shall recommend members of the Board of Directors to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and, where appropriate, make recommendations regarding the removal of any member of any committee. In

fulfilling this responsibility, the Committee shall, as appropriate, consult with the Chairman of the Board of Directors.

11. The Committee shall recommend members of the Board of Directors to serve as the Chairperson of the committees of the Board of Directors. In fulfilling this responsibility, the Committee shall, as appropriate, consult with the Chairman of the Board of Directors.
12. The Committee shall monitor and make recommendation with respect to the purpose, structure and operations of the various committees of the Board of Directors, the qualifications and criteria for membership on each committee of the Board and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees and the imposition of any term limitations of service on any Board committee.
13. The Committee shall periodically review the charter and composition of each committee of the Board of Directors and make recommendations to the Board for the creation of additional committees or the elimination of Board committees.

Corporate Governance

14. The Committee shall consider the adequacy of the articles of incorporation and by-laws of the Company and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the articles of incorporation and by-laws for consideration by the Board and/or the shareholders, as appropriate.
15. The Committee shall develop and recommend to the Board of Directors a set of corporate governance guidelines appropriate for the Company and consistent with the rules and regulations of the NYSE, the CHX, and the Securities and Exchange Commission, and shall keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board of Directors in light of such developments as may be appropriate.
16. The Committee shall periodically review the Company's corporate governance guidelines and make recommendations for changes as in its judgment are appropriate.

Review and Reporting

17. The Committee shall develop and recommend to the Board of Directors for its approval an annual self-assessment process of the Board of Directors and its committees. The Committee shall oversee, and communicate to the Board of Directors the results of, the annual self-assessment of the Board.
18. The Committee shall report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the

Board of Directors may take the form of an oral report by the Committee's Chairperson or any other member of the Committee designated by the Committee to make such report.

19. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

Compensation of Directors

20. The Committee shall, at least annually, determine the annual and meeting fees to be paid to members of the Board of Directors, members of committees of the Board of Directors and Chairpersons of such committees. Such fees need not be equal for all committees and Chairpersons. The Committee shall also determine the stock options, restricted stock and other compensation benefits for a member of the Board of Directors to the extent consistent with the authority granted in any such plans.

Subcommittees

The Committee may, from time to time, create subcommittees with respect to specified matters. The powers of any such subcommittee shall be solely limited to making recommendations for action by the Committee.

Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Exhibit A

Policy and Procedures Respecting Shareholders Making Recommendations for Director Nominees

While the Nominating and Corporate Governance Committee of the Board of Directors is solely responsible for identifying and recommending director nominees to the Board of Directors, the Committee will consider candidates recommended by the Company's shareholders for election as directors

Required Information Respecting Recommendation. Each shareholder recommendation should include information about the shareholder bringing the nomination. At a minimum, this information should include the number of shares held by such shareholder and the period of time such shares have been held by the shareholder. Each shareholder recommendation should also include information about the nominee. At a minimum, this information should include (a) the name and age of the nominee; (b) the nominee's business background for at least the past five years; (c) any directorships that the nominee holds in other companies; (d) any relationships of the nominee to the Company, including share ownership; and (e) a description of all arrangements or understandings between such shareholder and each nominee and any other person pursuant to which the nomination is being made.

Delivery of Recommendation. A shareholder recommendation for a director nominee should be delivered to the Nominating and Corporate Governance Committee, care of Assistant to the Board of Directors, Bandag, Incorporated, 2905 North Highway 61, Muscatine, Iowa 52761-5886.

Process for Review of Shareholder Submission. The Nominating and Corporate Governance Committee of the Board of Directors will review whether the proposed candidate meets the Board's minimum qualifications for eligibility, director criteria and is otherwise suitable for further consideration. The Nominating and Corporate Governance Committee of the Board of Directors will use the same process and standards for reviewing shareholder recommendations for director nominees as they do for other potential director nominees.

Exhibit B

Director Selection Criteria

At a minimum, each director nominee, whether a director-recommended nominee or a shareholder-recommended nominee, must have displayed the highest personal and professional ethics, integrity, values and sound business judgment.

Each nominee for director should possess the following specific qualities and skills:

1. Exhibit high standards of integrity, commitment and independent thought and judgment. Also be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director.
2. Have substantial management experience and/or financial expertise or prior Board of Directors experience with a public company or other relevant experience with a range of skills that will allow a Board member to provide sound guidance with respect to the Company's operations and interests.
3. Have the ability to dedicate sufficient time, energy and attention to ensure the diligent pursuit of his or her duties, including attending Board of Directors and committee meetings and reviewing all material in advance.
4. Have the ability to discuss major issues and come to a reasonable conclusion. The capability to understand, effectively discuss and make appropriate judgments with respect to issues of importance to the Company. While being collegial, the candidate should have the ability to be direct and not afraid to disagree on important issues.
5. As applicable or desirable, meet the requirements for independence set forth in the New York Stock Exchange's corporate governance listing standards, for at least a majority of the directors then serving on the Board of Directors.
6. Either have direct business exposure to the major businesses of the Company and its subsidiaries and/or be ready to participate in direct learning experiences about the major businesses of the Company and its subsidiaries.
7. For audit committee members, meet the independence and qualification requirements for audit committee members under the New York Stock Exchange's corporate governance listing standards and the rules and regulations of the Securities and Exchange Commission.