GOODYEAR TIRE & RUBBER CO /OH/
Form PRE 14A
March 06, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

THE GOODYEAR TIRE & RUBBER COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of

2013 Annual Meeting of Shareholders

and

Proxy Statement

The Goodyear Tire & Rubber Company

200 Innovation Way

Akron, Ohio 44316-0001

DATE:	April 15, 2013
TIME:	4:30 p.m., Akron Time
PLACE:	Hilton Akron/Fairlawn
	3180 West Market Street
	Akron, Ohio 44333

YOUR VOTE IS IMPORTANT

Please vote. Most shareholders may vote by internet or telephone as well as by mail.

Please refer to your proxy card or page 78 of the Proxy Statement for information on how to vote by internet or telephone. If you choose to vote by mail, please complete, date and sign your proxy card and promptly return it in the enclosed envelope.

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RICHARD J. KRAMER

CHAIRMAN OF THE BOARD,

CHIEF EXECUTIVE OFFICER

AND PRESIDENT

March , 2013

Dear Shareholders:

You are cordially invited to attend Goodyear s 2013 Annual Meeting of Shareholders, which will be held at the Hilton Akron/Fairlawn, 3180 West Market Street, Akron, Ohio, at 4:30 p.m., Akron Time, on Monday, April 15, 2013. During the meeting, we will discuss each item of business described in the Notice of Annual Meeting of Shareholders and Proxy Statement, and give a report on matters of current interest to our shareholders.

This booklet includes the Notice of Annual Meeting as well as the Proxy Statement, which provides information about Goodyear and describes the business we will conduct at the meeting.

We hope you will be able to attend the meeting. Whether or not you plan to attend, it is important that you vote via the internet, by telephone or by completing, dating, signing and promptly returning your proxy card. This will ensure that your shares will be represented at the meeting. If you attend and decide to vote in person, you may revoke your proxy. Remember, your vote is important!

Sincerely,

Richard J. Kramer

Chairman of the Board,

Chief Executive Officer

and President

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THE GOODYEAR TIRE & RUBBER COMPANY

NOTICE OF THE

2013 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 15, 2013

To the Shareholders:

The 2013 Annual Meeting of Shareholders of The Goodyear Tire & Rubber Company, an Ohio corporation, will be held at the Hilton Akron/Fairlawn, 3180 West Market Street, Akron, Ohio, on Monday, April 15, 2013 at 4:30 p.m., Akron Time, for the following purposes:

1. To elect the twelve members of the Board of Directors named in the Proxy Statement to serve one-year terms expiring at the 2014 Annual Meeting of Shareholders (Proxy Item 1);

2. To consider and approve an advisory resolution regarding the compensation of our named executive officers (Proxy Item 2);

3. To consider and approve a proposal regarding the adoption of the 2013 Performance Plan (Proxy Item 3);

4. To consider and approve a proposal to amend Goodyear s Code of Regulations to reduce the voting standard to remove directors (Proxy Item 4);

5. To consider and approve a proposal to amend Goodyear s Articles of Incorporation to reduce the voting standard for certain business combination transactions (Proxy Item 5);

6. To consider and approve a proposal to amend Goodyear s Articles of Incorporation to eliminate cumulative voting in the election of directors (Proxy Item 6);

7. To consider and approve a proposal to amend Goodyear s Code of Regulations to extend the time to call special meetings (Proxy Item 7);

8. To consider and approve a proposal to amend Goodyear s Code of Regulations to opt out of the Ohio Control Share Acquisition Law (Proxy Item 8);

9. To consider and approve a proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2013 (Proxy Item 9); and

10.

To act upon such other matters and to transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors fixed the close of business on February 20, 2013 as the record date for determining shareholders entitled to notice of, and to vote at, the 2013 Annual Meeting. Only holders of record of Goodyear common stock at the close of business on February 20, 2013 will be entitled to vote at the 2013 Annual Meeting and adjournments, if any, thereof.

March , 2013

By order of the Board of Directors:

David L. Bialosky, Secretary

Please complete, date and sign your Proxy and return it promptly in the

enclosed envelope, or vote via the internet or by telephone.

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PROXY STATEMENT

The Goodyear Tire & Rubber Company

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Goodyear Tire & Rubber Company, an Ohio corporation (Goodyear, Company, we, our or us), to be voted at the annual meeting of shareholders to be held April 15, 2 (the Annual Meeting), and at any adjournments thereof, for the purposes set forth in the accompanying notice.

Goodyear s executive offices are located at 200 Innovation Way, Akron, Ohio 44316-0001. Our telephone number is 330-796-2121.

Our Annual Report to Shareholders for the year ended December 31, 2012 is enclosed with this Proxy Statement. The Annual Report is not considered part of the proxy solicitation materials. The approximate date on which this Proxy Statement and the related materials are first being sent to shareholders is March , 2013.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on April 15, 2013:

The Proxy Statement, Proxy Card and Annual Report to Shareholders for the year ended December 31, 2012 are available at *www.proxyvote.com.*

Shares Voting. Holders of shares of the common stock, without par value, of Goodyear (the Common Stock) at the close of business on February 20, 2013 (the record date) are entitled to notice of and to vote the shares of Common Stock they hold on the record date at the Annual Meeting. As of the close of business on the record date, there were 245,528,843 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote.

Quorum. In order for any business to be conducted, holders of at least a majority of shares entitled to vote must be represented at the meeting, either in person or by proxy.

Adjourned Meeting. The holders of a majority of shares represented at the meeting, whether or not a quorum is present, may adjourn the meeting. If the time and place of the adjourned meeting is announced at the time adjournment is taken, no other notice need be given.

Vote Required. In accordance with Goodyear s Articles of Incorporation, a director nominee must receive, in an uncontested election of directors for which cumulative voting is not in effect, a greater number of votes cast for his or her election than against his or her election. Under Ohio law, an incumbent director who is not re-elected will continue in office as a holdover director until his or her successor is elected by a subsequent shareholder vote, or his or her earlier resignation, removal from office or death. In order to address holdover terms for any incumbent directors who fail to be re-elected under our majority vote standard, our Corporate Governance Guidelines provide that if a director nominee does not receive a majority affirmative vote, he or she will promptly offer his or her resignation as a director to the Board of Directors. Within 90 days, the Board will decide, after taking into account the recommendation of the Governance Committee (in each case excluding the nominee(s) in question), whether to accept the resignation. The Governance Committee and the Board may consider any relevant factors in deciding whether to accept a director s resignation. The Board s explanation of its decision shall be promptly disclosed in a filing with the Securities and Exchange Commission.

The affirmative vote of at least a majority of the shares of Common Stock outstanding on the record date is required for a management or shareholder proposal, other than an advisory vote, to be adopted at the Annual

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Meeting. When considering the results of advisory votes, the Board of Directors intends to consider only those votes actually cast at the Annual Meeting.

Abstentions and broker non-votes, which occur when your broker does not have discretionary voting authority on a matter and you do not provide voting instructions, have the same effect as votes against any proposal voted upon by shareholders but have no effect on the election of directors or advisory votes.

Voting Shares Held in Street Name. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the Annual Meeting. Your broker, bank or nominee has enclosed a voting instruction card for you to use in directing the broker, bank or nominee regarding how to vote your shares. If you do not return the voting instruction card, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers have the discretion to vote only on matters deemed to be routine, such as the ratification of the selection of an accounting firm (Proxy Item 9). **The election of directors (Proxy Item 1), the executive compensation advisory vote (Proxy Item 2), the approval of the 2013 Performance Plan (Proxy Item 3) and the various amendments to our Articles of Incorporation and Code of Regulations (Proxy Items 4 through 8) are not considered to be routine matters, and your broker will not have discretion to vote on those matters unless you specifically instruct your broker to do so by returning your signed voting instruction card.** If you do not provide voting instructions to your broker, your shares will not be voted for any director nominee or on any matter on which your broker does not have discretionary authority (resulting in a broker non-vote). Broker non-votes will have the same effect as a vote against a proposal, but will have no effect on the election of directors or advisory votes.

Cumulative Voting for Directors. In the voting for directors, you have the right to vote cumulatively for the candidates nominated. Under the Ohio General Corporation Law, all of the shares of Common Stock may be voted cumulatively in the election of directors if any shareholder gives written notice to our President, a Vice President or the Secretary not less than 48 hours before the time set for the Annual Meeting, and an announcement of the notice is made at the beginning of the Annual Meeting by the Chairman or the Secretary or by or on behalf of the shareholder giving such notice. If cumulative voting is in effect, you may (a) give one candidate the number of votes equal to twelve times the number of shares of Common Stock you are entitled to vote, or (b) distribute your votes among the twelve candidates as desired.

Voting of Proxy. Messrs. David L. Bialosky, Darren R. Wells and Bertram Bell have been designated as proxies to vote shares of Common Stock in accordance with your instructions. You may give your instructions using the accompanying proxy card, via the internet or by telephone.

Your shares will be voted for the twelve nominees identified at pages 8 through 16, unless your instructions are to vote against any one or more of the nominees or to vote cumulatively for one or more of the nominees for election. The proxies may cumulatively vote your shares if they consider it appropriate, except to the extent you expressly withhold authority to cumulate votes as to a nominee.

Your Board of Directors anticipates that all of the nominees named will be available for election. In the event an unexpected vacancy occurs, your proxy may be voted for the election of a new nominee designated by the Board of Directors.

Proxies received and not revoked prior to the Annual Meeting will be voted in favor of each of Proxy Items 2 through 9, unless your instructions are otherwise.

Revocability of Proxy. You may revoke or revise your proxy (whether given by mail, via the internet or by telephone) by the delivery of a later proxy or by giving notice to Goodyear in writing or in open meeting. Your proxy revocation or revision will not affect any vote previously taken. If you hold your shares in street name please refer

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to the information forwarded by your broker, bank or nominee who is considered the shareholder of record for procedures on revoking or changing your voting instructions.

Confidentiality. Your vote will be confidential except (a) as may be required by law, (b) as may be necessary for Goodyear to assert or defend claims, (c) in the case of a contested election of director(s), or (d) at your express request.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

Goodyear is committed to having sound corporate governance principles. Having such principles is essential to running Goodyear s business efficiently and to maintaining Goodyear s integrity in the marketplace. Goodyear s Corporate Governance Guidelines, Business Conduct Manual, Board of Directors and Executive Officers Conflict of Interest Policy and charters for each of the Audit, Compensation, Corporate Responsibility and Compliance, Finance, and Governance Committees are available at http://www.goodyear.com/investor/investor_governance.html. Please note, however, that information contained on the website is not incorporated by reference in this Proxy Statement or considered to be a part of this document. A copy of the committee charters and corporate governance policies may also be obtained upon request to the Goodyear Investor Relations Department.

Board Independence

The Board has determined that ten of the twelve director nominees (Mmes. Peterson and Streeter and Messrs. Conaty, Firestone, Geissler, Hellman, McCollough, McGlade, Palmore and Weidemeyer) are independent within the meaning of Goodyear s independence standards, which are based on the criteria established by The NASDAQ Stock Market and are included as Annex I to Goodyear s Corporate Governance Guidelines. Mr. Kramer, our Chairman of the Board, Chief Executive Officer and President, is not considered independent. In addition, in light of his relationship with the United Steelworkers (the USW), Mr. Wessel is not considered independent. Further, the Board expects that Mr. Wessel will recuse himself from discussions and deliberations regarding Goodyear s relationship with the USW. The Board also determined that the nature and size of the ordinary course commercial relationships between Goodyear and Xerox Corporation and between Goodyear and Air Products and Chemicals, Inc. did not impair the independence of Mr. Firestone or Mr. McGlade, respectively. In each case, the relationships were de minimis, constituting less than one-tenth of one percent (0.1%) of either Goodyear s or the other company s consolidated gross revenues in the current fiscal year and each of the last three completed fiscal years.

Board Structure and Committee Composition

As of the date of this Proxy Statement, Goodyear s Board has twelve directors, each elected annually, and the following five committees: (1) Audit, (2) Compensation, (3) Corporate Responsibility and Compliance, (4) Finance, and (5) Governance. The current membership and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board. During 2012, the Board held eight meetings. Each director attended at least 75% of all Board and applicable Committee meetings. Directors are expected to attend annual meetings of Goodyear s shareholders. All of the directors attended the last annual meeting of shareholders. As described on Goodyear s website at http://www.goodyear.com/investor/investor_contact_brd.html, shareholders may communicate with the Board or any of the directors (including the Lead Director or the non-management directors as a group) by sending correspondence to the Office of the Secretary, The Goodyear Tire & Rubber Company, 200 Innovation Way, Akron, Ohio 44316-0001. All communications will be compiled by the Secretary and submitted to the Board or the individual directors on a periodic basis.

Audit Committee

The members of the Audit Committee are Mr. Firestone, Mr. Geissler, Mr. Hellman (Chairman) and Mr. McCollough. The Board has determined that each member of the Audit Committee is independent within the

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meaning of Goodyear s independence standards and applicable Securities and Exchange Commission rules and regulations, and each of Mr. Hellman and Mr. McCollough is an audit committee financial expert. The Committee met seven times in 2012.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of the integrity of Goodyear s financial statements, Goodyear s compliance with legal and regulatory requirements related to financial reporting, the independent registered public accounting firm s qualifications and independence, and the performance of Goodyear s internal auditors and independent registered public accounting firm. Among other things, the Audit Committee prepares the Audit Committee report for inclusion in the annual proxy statement; annually reviews the Audit Committee charter and the Committee s performance; appoints, evaluates and determines the compensation of Goodyear s independent registered public accounting firm; reviews and approves the scope of the annual audit plan; reviews and pre-approves all auditing services and permitted non-audit services (and related fees) to be performed by the independent registered public accounting firm; oversees investigations into complaints concerning financial matters; and reviews policies and guidelines with respect to risk assessment and risk management, including Goodyear s major financial risk exposures. The Audit Committee works closely with management as well as Goodyear s independent registered public accounting firm. The Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Goodyear for, outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties. The report of the Audit Committee is on page 75 of this Proxy Statement.

Compensation Committee

The members of the Compensation Committee are Mr. Conaty, Mr. McCollough, Ms. Streeter and Mr. Weidemeyer (Chairman). The Board has determined that each member of the Compensation Committee is independent within the meaning of Goodyear s independence standards. The Committee met five times in 2012.

The Board of Directors has delegated to the Compensation Committee primary responsibility for establishing and administering Goodyear s compensation programs for officers and other key personnel. The Compensation Committee oversees Goodyear s compensation and benefit plans and policies for directors, officers and other key personnel, administers its stock plans (including reviewing and recommending equity grants to officers and other key personnel), and reviews and approves annually all compensation decisions relating to officers, including the Chief Executive Officer (CEO). The Compensation Committee also prepares a report on executive compensation for inclusion in the annual proxy statement and reviews and discusses the Compensation Discussion and Analysis with management and recommends its inclusion in the annual proxy statement. The report of the Compensation Committee is on page 39 of this Proxy Statement.

In performing its duties, the Compensation Committee meets periodically with the CEO to review compensation policies and specific levels of compensation paid to officers and other key personnel, and reports and makes recommendations to the Board regarding executive compensation policies and programs. The Compensation Committee informs the non-management directors of the Board of its decisions regarding compensation for the CEO and other significant decisions related to the administration of its duties. The Compensation Committee also will consider the results of shareholder advisory votes on executive compensation matters and the changes, if any, to Goodyear s executive compensation policies, practices and plans that may be warranted as a result of any such vote and reviews an annual risk assessment of Goodyear s executive compensation policies, practices and plans as part of its role in overseeing management s identification and management of, and planning for, compensation-related risks. Under its charter, the Compensation Committee may delegate its authority to one or more of its members as appropriate.

The Compensation Committee has the authority to retain and terminate outside advisors, including independent compensation consultants, to assist it in evaluating actual and proposed compensation for officers. The Compensation Committee also has the authority to approve, and receive appropriate funding from Goodyear for, any such outside advisor s fees. The Compensation Committee solicits advice from its independent compensation

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consultant, Frederic W. Cook & Co., Inc., on executive compensation matters relating to the CEO and other officers. This advice is described in more detail under the heading Compensation of Executive Officers and Directors Compensation Discussion and Analysis Role of Compensation Consultant.

Committee on Corporate Responsibility and Compliance

The members of the Committee on Corporate Responsibility and Compliance are Mr. Geissler, Mr. McGlade, Mrs. Peterson (Chairperson) and Mr. Wessel. The Committee met three times in 2012.

The Committee on Corporate Responsibility and Compliance reviews Goodyear s legal compliance programs as well as its business conduct policies and practices and its policies and practices regarding its relationships with shareholders, employees, customers, governmental agencies and the general public. The Committee also monitors Goodyear s objectives, policies and programs with respect to environmental sustainability, workplace health and safety, diversity and product quality. The Committee may also recommend appropriate new policies to the Board of Directors.

Finance Committee

The members of the Finance Committee are Mr. Firestone (Chairman), Mr. Hellman, Mr. Palmore and Mr. Weidemeyer. The Committee met four times in 2012.

The Finance Committee consults with management and makes recommendations to the Board of Directors regarding Goodyear s capital structure, dividend policy, tax strategies, compliance with terms in financing arrangements, risk management strategies, banking arrangements and lines of credit, and pension plan funding. The Finance Committee also reviews and consults with management regarding policies with respect to interest rate and foreign exchange risk, liquidity management, counterparty risk, derivative usage, credit ratings, and investor relations activities.

Governance Committee

The members of the Governance Committee are Mr. Conaty, Mr. McGlade, Mr. Palmore (Chairman), Mrs. Peterson and Ms. Streeter. The Board has determined that each member of the Governance Committee is independent within the meaning of Goodyear s independence standards. The Committee met six times in 2012.

The Governance Committee identifies, evaluates and recommends to the Board of Directors candidates for election to the Board. The Committee also develops and recommends appropriate corporate governance guidelines, recommends policies and standards for evaluating the overall effectiveness of the Board of Directors in the governance of Goodyear and undertakes such other activities as may be delegated to it from time to time by the Board of Directors.

Board Leadership Structure

Mr. Kramer serves as our Chairman of the Board, Chief Executive Officer and President. The Board also has a Lead Director who is responsible for coordinating the activities of the non-management directors and leading executive sessions of the non-management and independent directors, which are generally held in conjunction with regularly scheduled Board meetings. Additional duties of our Lead Director are set forth in Annex II to our Corporate Governance Guidelines. Mr. McCollough currently serves as our Lead Director.

The Board believes that the current Board leadership structure is the most appropriate for the Company and its shareholders at this time. Mr. Kramer has held positions of increasing responsibility at Goodyear for the past thirteen years, including Chief Financial Officer and President, North American Tire, and has extensive knowledge of the Company and the tire industry, which is valuable to the Board in his role as Chairman. In addition, the Board

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has an independent Lead Director to ensure that the independent and non-management members of the Board maintain proper oversight of management. The Board has no policy that requires the combination or separation of the Chairman and CEO roles, and may reconsider our leadership structure from time to time based on considerations at that time.

Board s Role in Risk Oversight

Management continually monitors the material risks facing the Company, including competitive, financial (accounting, liquidity and tax), legal, operational, regulatory and strategic risks. The Board as a whole has responsibility for oversight of management s identification and management of, and planning for, those risks. Reviews of certain areas are conducted by relevant Board Committees that report their deliberations to the Board.

The Board and its Committees oversee risks associated with their principal areas of focus, as summarized below. The Board and its Committees exercise their risk oversight function by carefully evaluating the reports they receive from management and by making inquiries of management with respect to areas of particular interest to the Board. Board oversight of risk is enhanced by the fact that the Lead Director and Chairman attend virtually all Committee meetings and that Committee reports are provided to the full Board following each Committee meeting. We believe that our leadership structure also enhances the Board s risk oversight function since our Lead Director regularly discusses the material risks facing the Company with management. The Chairman is also expected to report candidly to his fellow directors on his assessment of the material risks we face, based upon the information he receives as part of his management responsibilities. Both the Lead Director and the Chairman are well-equipped to lead Board discussions on risk issues.

Board/Committee	**Primary Areas of Risk Oversight**
Full Board	Strategic, financial and execution risk associated with the annual operating plan and five-year strategic plan (including allocation of capital investments); major litigation and regulatory matters; acquisitions and divestitures; and management succession planning.
Audit Committee	Risks associated with financial matters, particularly financial reporting, accounting, disclosure and internal controls.
Compensation Committee	Risks associated with the establishment and administration of executive compensation and equity-based compensation programs and performance management of officers.
Governance Committee	Risks associated with Board effectiveness and organization, corporate governance matters, and director succession planning.
Finance Committee	Risks associated with liquidity, pension plans (including investment performance, asset allocation and funded status), taxes, currency and interest rate exposures, and insurance strategies.
Committee on Corporate Responsibility and Compliance	Risks associated with health, safety and the environment, sustainability, and the Company s legal and ethical compliance program.

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Consideration of Director Nominees

The policy of the Governance Committee is to consider properly submitted shareholder nominations of candidates for membership on the Board as described below under Identifying and Evaluating Nominees for Director. In evaluating such nominations, the Governance Committee seeks to address the criteria described below under Director Selection Guidelines.

Any shareholder desiring to submit a proposed candidate for consideration by the Governance Committee should send the name of such proposed candidate, together with biographical data and background information concerning the candidate, to the Office of the Secretary, The Goodyear Tire & Rubber Company, 200 Innovation Way, Akron, Ohio 44316-0001.

Director Selection Guidelines

The Board of Directors has approved guidelines for selecting directors as part of our Corporate Governance Guidelines. Criteria considered in the selection of directors include:

- Personal qualities and characteristics, including the highest personal and professional integrity, sound judgment, and reputation in the business community or a record of public service;
- Substantial business experience or professional expertise and a record of accomplishments;
- Experience and stature necessary to be highly effective, working with other members of the Board, in serving the long-term interests of shareholders;
- Ability and willingness to devote sufficient time to the affairs of the Board and the Company and to carry out their duties effectively; and
- The needs of the Company at the time of nomination to the Board and the fit of a particular individual s skills and personality with those of the other directors in building a Board that is effective and responsive to the needs of the Company.

In order to provide a diversity of perspectives in Board deliberations, the nominating process should also attempt to ensure that the Board as a whole reflects diverse business experience, substantive expertise, skills and background, as well as diversity in personal characteristics, such as age, gender and ethnicity. A person s ability to satisfy Goodyear s independence standards and those of The NASDAQ Stock Market may also be evaluated.

Identifying and Evaluating Nominees for Director

The Governance Committee is responsible for identifying, screening and recommending persons for nomination to the Board. The Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and shareholders. On occasion, the Committee may also retain third-party executive search firms to identify candidates. In addition, under our prior master labor agreement with the USW, the USW had the right to nominate a candidate for consideration for membership on the Board. Mr. Wessel, who became a director in December 2005, was identified and recommended by the USW. Mr. Palmore and Mr. McGlade were initially identified as potential candidates for Board membership by a third-party executive search firm.

Once a prospective nominee has been identified, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee s own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members and the likelihood that the prospective nominee can satisfy the director selection guidelines described above. If the Committee determines, in consultation with the Chairman of the Board and other Board members as appropriate, that additional consideration is warranted, it may request a third-party search firm to gather additional information

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about the prospective nominee s background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the standards and qualifications set out in Goodyear s director selection guidelines. The Committee also considers such other relevant factors as it deems appropriate, including the balance of management and independent directors and the evaluations of other prospective nominees. As described above under Director Selection Guidelines, diversity is among the many factors that the Committee considers in evaluating prospective nominees. We consider the members of our Board to have a diverse set of business and personal experiences, backgrounds and expertise, and to be diverse in terms of age, gender and ethnicity.

In connection with this evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Committee makes a recommendation to the full Board as to the persons who should be elected to the Board, and the Board makes its decision after considering the recommendation and report of the Committee.

ELECTION OF DIRECTORS

(Item 1 on your Proxy)

The Board of Directors has selected the following twelve nominees recommended by the Governance Committee for election to the Board of Directors. The directors will hold office from their election until the next Annual Meeting of Shareholders, or until their successors are elected and qualified. If any of these nominees for director becomes unavailable, the persons named in the proxy intend to vote for any alternate designated by the current Board of Directors.

WILLIAM J. CONATY

Current Principal Occupation: President of Conaty Consulting LLC and Advisory Partner of Clayton, Dubilier & Rice, LLC

Goodyear Director Since: August 1, 2011

Current Goodyear Committee Assignments:

Compensation

Governance

Description of Business Experience:

Mr. Conaty served as Senior Vice President of Corporate Human Resources for General Electric Company from 1993 to 2007. He joined General Electric in 1967 and in his 40-year career, moved through a progression of leadership roles in the company s transportation, aerospace and aircraft engines businesses. Following his retirement from General Electric, he formed Conaty Consulting LLC and joined Clayton, Dubilier & Rice as an advisory partner. He also serves on the advisory board of Cornell University s Center for Advanced Human Resource Studies and is a trustee of Bryant University and Dartmouth-Hitchcock Hospital.

Mr. Conaty has extensive human resources, executive compensation and executive management experience from his long and successful tenure at General Electric. His skills in coaching and developing leaders and teams are an asset to both the Board of Directors and Goodyear, particularly with respect to talent development, succession planning, labor relations and executive compensation matters.

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Other Public Company Directorships Held Since January 1, 2008:

Hewitt Associates (2008 2010)

Age: 67

JAMES A. FIRESTONE

Current Principal Occupation: Executive Vice President and President, Corporate Operations of Xerox Corporation

Goodyear Director Since: December 3, 2007

Current Goodyear Committee Assignments:

Audit

Finance (Chairman)

Description of Business Experience:

Mr. Firestone is an Executive Vice President of Xerox Corporation and has been President, Corporate Operations since September 2008. Mr. Firestone was President of Xerox North America from October 2004 to September 2008. He has also served as head of Xerox s channels group and as chief strategy officer. Before joining Xerox in 1998, Mr. Firestone worked for IBM Corporation as general manager of the Consumer Division and for Ameritech Corporation as president of Consumer Services. He began his business career in 1978 with American Express, where during his 15-year tenure he ultimately rose to President, Travelers Cheques.

Mr. Firestone has extensive executive management experience in positions of increasing responsibility, including most recently as a senior executive officer of Xerox Corporation, which is of similar size and global complexity as Goodyear. He also has over 17 years of profit and loss management responsibility, as well as over 10 years of international business experience while working in Japan for American Express. These experiences provide him with unique and valuable insights as a director of Goodyear, particularly with respect to operations and finance matters.

Other Public Company Directorships Held Since January 1, 2008:

The Nomura Partners Fund (2005 present)

Age: 58

WERNER GEISSLER

Current Principal Occupation: Vice Chairman, Global Operations of The Procter & Gamble Company

Goodyear Director Since: February 21, 2011

Current Goodyear Committee Assignments:

Audit

Corporate Responsibility and Compliance

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Description of Business Experience:

Mr. Geissler has been Vice Chairman, Global Operations of The Procter & Gamble Company since August 2007 and was Group President, Central & Eastern Europe, Middle East and Africa from July 2004 to July 2007. He joined Procter & Gamble in 1979 and has held positions of increasing responsibility in various brand and general management and operations roles in Europe, the Middle East, Central Asia, Japan, Africa and the United States. He is also a member of the Supervisory Board and Audit Committee of the International Management Development School in Lausanne, Switzerland, a leading global institution for senior management education.

Mr. Geissler, a native of Germany, has deep executive management experience, including as a senior executive officer of Procter & Gamble, where he currently oversees Procter & Gamble s extensive worldwide business operations. He has significant international business experience and profit and loss management responsibility. These experiences provide him with valuable insights as a director of Goodyear, particularly with respect to consumer marketing and international, operations and finance matters.

Other Public Company Directorships Held Since January 1, 2008:

None

Age: 59

PETER S. HELLMAN

Current Principal Occupation: Retired. Formerly President and Chief Financial and Administrative Officer of Nordson Corporation

Goodyear Director Since: October 5, 2010

Current Goodyear Committee Assignments:

Audit (Chairman)

Finance

Description of Business Experience:

Mr. Hellman retired from Nordson Corporation, a designer, manufacturer and marketer of industrial equipment, in 2008 after a career of over 20 years with large, multinational companies in both financial and operating executive positions. Mr. Hellman was President and Chief Financial and Administrative Officer of Nordson Corporation from 2004 to January 2008 and Executive Vice President and Chief Financial and Administrative Officer from 2000 to 2004. Prior to joining Nordson in 2000, Mr. Hellman was with TRW Inc. for 10 years and held various positions, including as President and Chief Operating Officer and as Chief Financial Officer. Mr. Hellman also serves on the boards of several nonprofit organizations.

Mr. Hellman has significant financial reporting expertise due to his service as a Chief Financial Officer at both Nordson and TRW, providing him with the necessary skills to be Chairman of our Audit Committee, where he also qualifies as an audit committee financial expert. He also has extensive operational experience at both companies. In addition, Mr. Hellman has served on public company boards for over 18 years. Through his board and management experience, Mr. Hellman also has significant experience with corporate governance practices and legal and regulatory compliance issues. Mr. Hellman s financial and operating experience, business leadership skills and board experience enable him to provide valuable contributions as a Goodyear director.

Other Public Company Directorships Held Since January 1, 2008:

Baxter International Inc. (2005 present)

Owens-Illinois, Inc. (2007 present)

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Qwest Communications International Inc. (2000 2011)

Nordson Corporation (2001 2008)

Age: 63

RICHARD J. KRAMER

Current Principal Occupation: Chairman of the Board, Chief Executive Officer and President of Goodyear

Goodyear Director Since: February 22, 2010

Description of Business Experience:

Mr. Kramer joined Goodyear in March 2000 as Vice President Corporate Finance, serving in that capacity as Goodyear s principal accounting officer until August 2002, when he was elected Vice President, Finance North American Tire. In August 2003, he was named Senior Vice President, Strategic Planning and Restructuring, and in June 2004 was elected Executive Vice President and Chief Financial Officer. Mr. Kramer was elected President, North American Tire in March 2007 and continued to serve as Chief Financial Officer until August 2007. In June 2009, Mr. Kramer was elected Chief Operating Officer and continued to serve as President, North American Tire until February 16, 2010. He was elected Chief Executive Officer and President effective April 13, 2010 and Chairman effective October 1, 2010. Prior to joining Goodyear, Mr. Kramer was with PricewaterhouseCoopers LLP for 13 years, including two years as a partner.

Mr. Kramer has been an executive officer of Goodyear for 13 years. Mr. Kramer has held several key positions at Goodyear and has had a critical role in creating our strategy and strengthening our leadership teams as Chief Executive Officer and previously as Chief Financial Officer and as President, North American Tire. Mr. Kramer s deep knowledge of Goodyear, global markets, manufacturing, finance and accounting provides our Board with valuable perspectives that are necessary to advance Goodyear s business and the interests of our shareholders.

Mr. Kramer does not serve on any Board committees.

Other Public Company Directorships Held Since January 1, 2008:

The Sherwin-Williams Company (April 2012 present)

Age: 49

W. ALAN McCOLLOUGH

Current Principal Occupation: Retired. Formerly Chairman and Chief Executive Officer of Circuit City Stores Inc.

Goodyear Director Since: April 10, 2007

Current Goodyear Board Assignments:

Lead Director

Current Goodyear Committee Assignments:

Audit

Compensation

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Description of Business Experience:

Mr. McCollough joined Circuit City Stores Inc., a consumer electronics retailer, in 1987 as general manager of corporate operations, and was named assistant vice president in 1989, president of central operations in 1991, and senior vice president of merchandising in 1994. He served as President and Chief Operating Officer from 1997 to 2000 and as President and Chief Executive Officer from 2000 to 2002. Mr. McCollough was elected Chairman, President and Chief Executive Officer of Circuit City in 2002 and served in those capacities until 2005. He remained Chief Executive Officer until February 2006 and Chairman until his retirement in June 2006. Mr. McCollough also serves as a trustee of the Joslin Diabetes Center, a nonprofit organization.

Mr. McCollough has extensive senior executive management experience, particularly in operations and consumer merchandising and marketing. His experience as Chairman and Chief Executive Officer of Circuit City provides him with the necessary skills to be Lead Director and serve on our Audit Committee, where he also qualifies as an audit committee financial expert. Mr. McCollough s past service as Chairman of Circuit City, as well as his current service on other public company boards of directors, provides us with important perspectives on corporate governance matters.

Other Public Company Directorships Held Since January 1, 2008:

La-Z-Boy Inc. (2007 present)

VF Corporation (2000 present)

Age: 63

JOHN E. McGLADE

Current Principal Occupation: Chairman, President and Chief Executive Officer of Air Products and Chemicals, Inc.

Goodyear Director Since: December 5, 2012

Current Goodyear Committee Assignments:

Corporate Responsibility and Compliance

Governance

Description of Business Experience:

Mr. McGlade has been Chairman, President and Chief Executive Officer of Air Products and Chemicals, Inc., a global provider of atmospheric, process and specialty gases, since March 2008. He joined Air Products in 1976 and held various positions of increasing responsibility, including as Group Vice President, Chemicals Group, and President and Chief Operating Officer. Mr. McGlade also serves on the board of directors of the American Chemistry Council and is a trustee of Lehigh University.

Mr. McGlade has strong leadership skills and extensive management, international and operating experience, including as Chief Executive Officer of Air Products. He has also had responsibility for the environment, health, safety and quality function during his career at Air Products. These experiences provide him with unique and valuable insights as a director of Goodyear, particularly with respect to operations matters.

Other Public Company Directorships Held Since January 1, 2008:

Air Products and Chemicals, Inc. (2007 present)

Age: 59

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RODERICK A. PALMORE

Current Principal Occupation: Executive Vice President, General Counsel, Chief Compliance and Risk Management Officer, and Secretary of General Mills, Inc.

Goodyear Director Since: August 7, 2012

Current Goodyear Committee Assignments:

Finance

Governance (Chairman)

Description of Business Experience:

Mr. Palmore joined General Mills, a global manufacturer and marketer of food products, as Executive Vice President, General Counsel, Chief Compliance and Risk Management Officer, and Secretary in February 2008. From 1996 to 2008, he worked for Sara Lee Corporation in a variety of legal leadership roles, ultimately becoming Executive Vice President, General Counsel and Secretary. Prior to 1996, he worked at the U.S. Department of Justice and in private practice.

In his role at General Mills, he is responsible for the company s worldwide legal activities, corporate ethics, compliance, and corporate security. Through his experience as general counsel of consumer product public companies, in private practice and as an Assistant U.S. Attorney, Mr. Palmore has extensive experience in corporate governance and the legal issues facing Goodyear. In addition, his experience provides him with strong risk management skills. This broad business knowledge and public board experience, as well as his strong leadership skills, will be valuable assets to the Board of Directors.

Other Public Company Directorships Held Since January 1, 2008:

CBOE Holdings, Inc. (2000 present)

Age: 61

SHIRLEY D. PETERSON

Current Principal Occupation: Retired. Formerly a partner in the law firm of Steptoe & Johnson LLP

Goodyear Director Since: April 13, 2004

Current Goodyear Committee Assignments:

Corporate Responsibility and Compliance (Chairperson)

Governance

Description of Business Experience:

Mrs. Peterson was President of Hood College, a liberal arts college in Frederick, Maryland, from 1995 to 2000. From 1989 to 1993 she served in the U.S. Government, first appointed by President George H.W. Bush as Assistant Attorney General in the Tax Division of the Department of Justice, then as Commissioner of the Internal Revenue Service. She was also a partner in the law firm of Steptoe & Johnson LLP where she served a total of 22 years from 1969 to 1989 and from 1993 to 1994. Mrs. Peterson was a Trustee of Bryn Mawr College from 1994 to 2007 and is currently a Trustee Emerita.

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Mrs. Peterson s legal, financial and executive management experience from both the public and private sectors provides Goodyear with important perspectives on accounting, tax and regulatory issues, and corporate governance matters. She serves, and has served, on several public company boards, including diverse committee assignments. Her public company board experience, particularly her service on several governance and audit committees, provides us with valuable perspectives on the policies and practices of other public companies, including several in the manufacturing sector.

Other Public Company Directorships Held Since January 1, 2008:

- AK Steel Holding Corporation (2004 present)
- Wolverine World Wide, Inc. (2005 present)
- Champion Enterprises, Inc. (2004 2010)
- DWS Mutual Funds, Independent Trustee (1995 2008)

Age: 71

STEPHANIE A. STREETER

Current Principal Occupation: Chief Executive Officer of Libbey Inc.

Goodyear Director Since: October 7, 2008

Current Goodyear Committee Assignments:

- Compensation
- Governance

Description of Business Experience:

Ms. Streeter joined Libbey Inc., a producer of glass tableware products, as Chief Executive Officer on August 1, 2011. Previously, Ms. Streeter was with Banta Corporation, a provider of printing and supply chain management services, serving as President and Chief Operating Officer beginning in January 2001, and was elected Chief Executive Officer in 2002 and Chairman in 2004. She served as Chairman, President and Chief Executive Officer of Banta until its acquisition by R.R. Donnelley & Sons in 2007. Ms. Streeter also spent 14 years with Avery Dennison Corporation in a variety of product and business management positions, including as Group Vice President of Worldwide Office Products from 1996 to 2000. Ms. Streeter was a member of the board of directors of the United States Olympic Committee from 2004 to 2009, where she also served as Acting Chief Executive Officer from March 2009 to March 2010. She also serves on the board of Catalyst, a nonprofit organization.

Ms. Streeter has extensive senior executive management experience. Her experiences as Chief Executive Officer of Libbey, as Chairman, President and Chief Executive Officer of Banta and at Avery Dennison provide Ms. Streeter with an understanding of the operations and performance of public companies. Ms. Streeter s service on several public company and nonprofit boards of directors also provide us with important insights on practices across a variety of industries.

Other Public Company Directorships Held Since January 1, 2008:

Libbey Inc. (2011 present)

Kohl s Corporation (2007 present)

Age: 55

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THOMAS H. WEIDEMEYER

Current Principal Occupation: Retired. Formerly Senior Vice President and Chief Operating Officer of United Parcel Service, Inc.

Goodyear Director Since: December 9, 2004

Current Goodyear Committee Assignments:

Compensation (Chairman)

Finance

Description of Business Experience:

Mr. Weidemeyer served as Senior Vice President and Chief Operating Officer of United Parcel Service, Inc., a transportation and logistics company, from January 2001, and as President and Chief Operating Officer of UPS Airlines from July 1994, until his retirement in February 2004. Mr. Weidemeyer became Manager of the Americas International Operation of UPS in 1989, and in that capacity directed the development of the UPS delivery network throughout Central and South America. In 1990, he became Vice President and Airline Manager of UPS Airlines and in 1994 was elected its President and Chief Operating Officer. Mr. Weidemeyer was a director of United Parcel Service from 1998 to 2003.

Mr. Weidemeyer has over 35 years of management and executive leadership experience. His logistics, finance and international management experience provides us with valuable insights on our supply chain and financial management practices, as well as our overall business. His service on other boards of directors also provides us with perspectives on issues facing companies in different industries.

Other Public Company Directorships Held Since January 1, 2008:

NRG Energy, Inc. (2003 present)

Waste Management, Inc. (2005 present)

Age: 65

MICHAEL R. WESSEL

Current Principal Occupation: President of The Wessel Group Incorporated

Goodyear Director Since: December 6, 2005

Current Goodyear Committee Assignments:

Corporate Responsibility and Compliance

Description of Business Experience:

Mr. Wessel has served as President of The Wessel Group Incorporated, a government and political affairs consulting firm, since May 2006. Prior to founding The Wessel Group, he served as Senior Vice President of the Downey McGrath Group, a government affairs consulting firm, from March 1999 to December 2005 and as Executive Vice President from January 2006 to April 2006.

Mr. Wessel is an attorney with over 30 years of experience as an economic and international trade policy advisor in Washington, D.C. Mr. Wessel has acted as an advisor to Congressman Richard Gephardt, both in the U.S. House of Representatives and to his presidential campaigns in 1987-88 and 2003-04, to the Clinton/Gore Transition Office in 1992 and 1993, and to Senator John Kerry s presidential campaign in 2004. Mr. Wessel also serves as a Commissioner on the U.S.-China Economic and Security Review Commission, a position he has held since April 2001.

Mr. Wessel s extensive experience with public policy matters and his government service, including as an advisor to former Majority Leader Gephardt and as an appointee on government commissions, provides us with valuable perspectives on public policy matters impacting trade, international economic affairs and other matters of importance to Goodyear.

Other Public Company Directorships Held Since January 1, 2008:

None

Age: 53

Your Board of Directors unanimously recommends that shareholders vote FOR each of the nominees for director named in this Proxy Statement (Proxy Item 1).

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BENEFICIAL OWNERSHIP OF COMMON STOCK

The persons identified in the table below have reported that they beneficially owned at December 31, 2012 more than 5% of the outstanding shares of the Common Stock as follows:

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding Beneficially Owned
Wellington Management Company, LLP 280 Congress Street Boston, Massachusetts 02210	22,507,745(1)	9.2%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	16,083,234(2)	6.6%
Appaloosa Management L.P. Appaloosa Partners Inc. 51 John F. Kennedy Parkway Short Hills, New Jersey 07078	14,345,610(3)	5.8%
The Hartford Mutual Funds, Inc. 500 Bielenberg Drive Woodbury, Minnesota 55125	13,512,817(4)	5.5%
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	13,015,955(5)	5.3%

(1) Shared voting power in respect of 21,629,045 shares and shared dispositive power in respect of 22,507,745 shares, as stated in a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2013.

(2) Sole voting power in respect of 421,393 shares, sole dispositive power in respect of 15,673,341 shares and shared dispositive power in respect of 409,893 shares, as stated in a Schedule 13G/A filed with the Securities and Exchange Commission on February 12, 2013.

(3) Shared voting and dispositive power in respect of 14,345,610 shares, as stated in a Schedule 13G filed with the Securities and Exchange Commission on February 14, 2013.

(4) Shared voting and dispositive power in respect of 13,512,817 shares, as stated in a Schedule 13G filed with the Securities and Exchange Commission on February 11, 2013.

(5) Sole voting and dispositive power in respect of 13,015,955 shares, as stated in a Schedule 13G/A filed with the Securities and Exchange Commission on February 8, 2013.

In addition, The Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60603, has indicated that at the record date it held 7,288,143 shares, or approximately 3.0% of the outstanding shares, of Common Stock as the trustee of various employee savings plans sponsored by Goodyear and certain subsidiaries.

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On February 20, 2013, each director and nominee, each person named in the Summary Compensation Table on page 40, and all directors and executive officers as a group, beneficially owned the number of shares of Common Stock set forth in the table below.

Beneficial Ownership at February 20, 2013(1)

Name	Shares of Common Stock Owned Directly(2)	Shares of Common Stock Held in Savings Plan(3)	Shares of Common Stock Subject to Exercisable Options(4)	Deferred Share Equivalent Units and Restricted Stock Units	Percent of Class
William J. Conaty	-0-	-0-	-0-	13,265(8)	*
James A. Firestone	-0-	-0-	-0-	42,548(8)	*
Werner Geissler	-0-	-0-	-0-	16,627(8)	*
Peter S. Hellman	-0-	-0-	-0-	19,800(8)	*
W. Alan McCollough	-0-	-0-	-0-	45,358(8)	*
John E. McGlade	-0-	-0-	-0-	602(8)	*
Roderick A. Palmore	-0-	-0-	-0-	3,449(8)	*
Shirley D. Peterson	1,000	-0-	-0-	59,105(8)	*
Stephanie A. Streeter	-0-	-0-	-0-	38,490(8)	*
Thomas H. Weidemeyer	1,000	-0-	-0-	56,307(8)	*
Michael R. Wessel	-0-	-0-	-0-	51,253(8)	*
Richard J. Kramer	243,446(5)	219	772,418	455(9)	*
Darren R. Wells	35,157	161	262,225	75,000(10)	*
Arthur de Bok	76,283	-0-	372,064	75,000(10)	*
David L. Bialosky	77,267(6)	-0-	110,323	-0-	*
Gregory L. Smith	82,551(7)	-0-	32,685	-0-	*
All directors, the named executive officers and all other executive officers as a group (23 persons)	742,346	53,771	2,175,554	647,256	1.2%

* Less than 1%

(1) The number of shares indicated as beneficially owned by each of the directors and named executive officers, and by all directors and executive officers as a group, and the percentage of Common Stock outstanding beneficially owned by each person and the group, has been determined in accordance with Rule 13d-3(d)(1) promulgated under the Securities Exchange Act of 1934.

(2) Unless otherwise indicated in a subsequent note, each person named and each member of the group has sole voting and investment power with respect to the shares of Common Stock shown.

(3) Shares held in trust under Goodyear s Employee Savings Plan for Salaried Employees.

(4) Shares that may be acquired upon the exercise of options which are exercisable on or prior to April 21, 2013.

(5) Includes 103,492 shares acquired under Restricted Stock Purchase Agreements.

(6) Includes 48,636 shares acquired under a Restricted Stock Purchase Agreement.

(7) Includes 32,551 shares acquired under a Restricted Stock Purchase Agreement.

(8) Deferred share equivalent units and restricted stock units, each equivalent to a share of Common Stock, accrued to accounts of the director under Goodyear s Outside Directors Equity Participation Plan. Deferred share equivalent units are payable in cash, and restricted stock units are payable in Common Stock, following retirement from the Board of Directors. See Director Compensation at page 61.

(9) Units, each equivalent to a share of Common Stock, deferred pursuant to performance awards earned, and payable in cash, shares of Common Stock, or any combination thereof, at the election of the executive officer.

(10) 20,000 restricted stock units, each equivalent to a share of Common Stock, that vest as to one-third of the units on each of February 23, 2013, February 23, 2014 and February 23, 2015, and 55,000 restricted stock units that vest on December 6, 2014.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Overview

In 2012, the disciplined execution of our strategy and structural changes we made to our business over the past few years helped us deliver strong results in both earnings and operating cash flows. We achieved sustained profitability amidst an environment of global economic uncertainty, weak consumer demand, and volatile raw material costs.

Despite substantial contributions to our pension plans and the strong performance of our portfolio last year, our unfunded pension obligations increased primarily due to decreases in the discount rate driven by the Federal Reserve s low interest rate policy. We believe our unfunded pension obligations continue to negatively impact our stock price performance. In February 2013, we announced a strategy intended to reduce the exposure of our U.S. pension plans to future interest rate and equity market movements.

Our total segment operating income for 2012 was more than $1.2 billion, marking the second year in a row and only the third time in the company s history that we have reached that level of performance. In addition, we delivered strong cash flow results for the year as a result of progress on our working capital initiatives. Price and product mix drove an 8% improvement in revenue per tire compared to 2011 (excluding the impact of foreign currency translation), reflecting our strategic focus on offering innovative products in profitable target market segments.

In 2012, our strong operating performance enabled us to withstand a variety of severe headwinds that tested both our strategy and resolve. For example, there has yet to be a comprehensive and lasting solution to the Euro crisis, which contributed to slow economic growth and dampened consumer demand in Europe over the past year. Growth in China has slowed from its previous double-digit percent increase. In Latin America, currency volatility and political instability in several countries contributed to a challenging business climate in that region.

Despite this difficult environment, we demonstrated significant progress toward our long-term goals as we continued to move Goodyear in the right direction.

Our positive results were driven by strong performance in three of our four businesses.

- In North America, we achieved record segment operating income of $514 million, exceeding our target of $450 million one year ahead of schedule. These results confirm a complete transformation of the business, as record profit was achieved despite volumes that were near recessionary levels.

- In Asia Pacific, full-year segment operating income of $259 million was a record, despite slower growth in the key China market and recession in Australia, our largest business in the region.

- In Latin America, we delivered segment operating income of $223 million and stabilized the business despite a weak economy and a strong currency in Brazil, our largest business in the region.

Also, we had the following key achievements:

- Made capital investments of more than $1.1 billion in support of future growth opportunities, including significant investments in emerging markets in China and Chile;

- Completed our move to a new factory in Pulandian, China, supporting our key strategy of winning in both the consumer and commercial tire markets in this growing region;

Offset $576 million in higher raw material costs with $1.0 billion in improved price and product mix;

Realized approximately $346 million of cost savings, bringing the total cost savings for 2010 to 2012 to approximately $1.1 billion and exceeding our $1.0 billion goal for that three-year period; and

Achieved a ratio of working capital to net sales of 10.7%, continuing our track record of improvements in working capital efficiency.

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As a result of our operating performance described above, payouts under our annual incentive plan ranged from 38% to 148% of target for our named executive officers. In addition, the performance targets for the 2012 performance periods under our 2010-2012, 2011-2013 and 2012-2014 long-term awards were exceeded and payouts were approved for the applicable periods, subject to continued service, ranging from 141% to 166% of target for our named executive officers.

In response to current executive compensation trends and after considering the results of our 2012 say-on-pay vote, the Compensation Committee also:

- Amended our change in control plan to eliminate excise tax gross ups and walk away rights for any officer following a change in control;
- Revised the design of our long-term awards beginning in 2012 by establishing a three-year plan whereby the performance targets for each year of the three-year period are established on the grant date in order to provide greater accountability for long-term results, weighted 50% for the first year, 30% for the second year and 20% for the third year, and maintained the three-year total shareholder return modifier first introduced in 2011; and
- Changed our peer group composition for 2012 compensation decisions.

The Compensation Committee also has a number of other policies and practices that we believe are consistent with our performance-based compensation philosophy and serve the long-term interests of our shareholders:

- Double-trigger change-in-control provisions in our change-in-control plan and our proposed 2013 Performance Plan (and our existing 2008 Performance Plan);
- No tax gross-ups paid to our executive officers for any perquisites;
- Robust stockholding guidelines for officers and directors, including stock retention provisions following the exercise of stock options or the vesting of other stock-based awards;
- Prohibitions on the hedging and pledging of our Common Stock by officers, directors and employees; and
- A claw-back policy.

We feel very positive about the progress made in our North American, Latin American and Asia Pacific businesses in 2012 and are confident in our team s ability to continue delivering improved profitability. Our strategy is clear, and despite challenges we expect to face, we are positioned to deliver sustainable, positive results over the long term.

We continue to make the necessary adjustments to our business now to be prepared when robust growth in the tire industry returns. We are confident in the fundamentals of the tire industry and in our ability to continue our positive momentum.

For additional information regarding total segment operating income, a non-GAAP measure, including a reconciliation to income before income taxes, see Note to the Consolidated Financial Statements No. 7, Business Segments in our Annual Report for the year ended December 31, 2012.

Compensation Approach

The key objectives of our executive compensation program are to:

motivate executives and other key personnel to attain appropriate short-term and long-term performance goals and manage the Company for sustained long-term growth,

align executives interests with those of our shareholders, and

attract and retain qualified and experienced executive officers and other key personnel.

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In support of these objectives, we provide executive compensation and benefits that are market-competitive in which a large portion of the total opportunity is variable and tied to our performance and changes in shareholder value over a multi-year period. The key components of compensation provided to our executive officers and how each supports our compensation objectives are presented in the following table:

Component	Description	Participants	Objectives
Annual Compensation			
Base Salary	Annual cash compensation	All employees	Provide a minimum level of fixed compensation necessary to attract and retain employees Recognize skills, competencies, experience, leadership and individual contribution
Management Incentive Plan Annual Cash Incentive	Annual cash incentive based on corporate performance. Awards may be reduced (but not increased) based on corporate and/or operating unit performance measures, such as EBIT and operating cash flow, and individual performance.	Certain executive officers (including all named executive officers)	Link annual cash compensation to attainment of key short-term performance goals: Across total company and operating units as measured primarily by the achievement of annual operating goals By the individual as measured by achievement of specific strategic goals and demonstrated leadership traits
Long-Term Compensation			
Stock Options	Long-term equity incentive program that provides the opportunity to purchase stock at a fixed price over a ten-year period. Results in value only if stock price increases.	Key employees (including all named executive officers)	Link realized compensation over the long-term to appreciation in stock price Facilitate retention Align the interests of management with those of shareholders

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Component	Description	Participants	Objectives
Performance Share Grants	Long-term equity incentive program with award payouts tied to achievement of corporate goals over a three-year period, with performance targets for each year of the three-year period established on the grant date, subject to a relative total shareholder return modifier over that three-year period.	Officers (including all named executive officers)	Link multi-year compensation to changes in share price on both an absolute and relative-to-peer basis over a three-year period, as well as performance against key operational goals Facilitate retention Align the interests of management with those of shareholders
Executive Performance Plan	Long-term cash incentive program with award payouts tied to achievement of corporate goals over a three-year period, with performance targets for each year of the three-year period established on the grant date, subject to a relative total shareholder return modifier over that three-year period.	Key employees (including all named executive officers)	Link multi-year compensation to performance against key operational goals over a three-year period Facilitate retention Align the interests of management with those of shareholders
Retirement Programs			
Supplementary Pension Plan and Excess Benefit Plans	Additional retirement benefits	Key employees (including all named executive officers)	Facilitate attraction and retention of executive officers Provide for retirement replacement income, thereby facilitating an orderly succession of talent within the organization
Qualified Retirement Plans	Post-retirement benefits	All U.S. employees	Necessary to attract and retain employees

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Component	Description	Participants	Objectives
Other Executive Benefits			
Perquisites	Home security systems	Certain officers (including all named executive officers)	Assure protection of officers
	Tire program		Enable officers to focus on Company business with minimal disruption
	Financial planning and tax preparation services		
	Annual physical exams		
	Use of company aircraft (in limited circumstances, and with the executive partially reimbursing the Company)		
Other Benefits	Medical, welfare and other benefits	All employees	Necessary to attract and retain employees

Compensation Philosophy and Key Principles

The following core principles form the foundation of the compensation program for our executives, including the CEO and the other executive officers named in the Summary Compensation Table (collectively, the named executive officers):

First, compensation programs should motivate our executives to take actions that are aligned with our short- and long-term strategic objectives, and appropriately balance risk versus potential reward.

Second, as executives move to a greater level of responsibility, the percentage of their pay based on performance should increase to ensure the highest level of accountability to shareholders.

Third, performance pay should offer an opportunity for above average compensation when our performance exceeds our goals balanced by the risk of below average compensation when it does not.

Fourth, the percentage of total compensation paid in the form of equity should also increase as executives have increasing responsibility for corporate performance, thereby more closely aligning their interests with those of our shareholders.

In implementing our executive compensation program according to the principles described above, we take into account our challenging financial position, which is driven in part by under-funded legacy pension obligations that do not reflect the cost of our ongoing business operations.

We generally target base salaries for our officers below median market rates, in the aggregate, consistent with the requirements of our master labor agreement with the United Steelworkers (the USW Agreement), and we target performance-based and equity compensation at rates that, on average, are at the median market rate. The actual positioning of target compensation relative to the median varies based on each executive s experience and skill set, and generally results in executives who are new in their role being placed lower in the range and those with more experience being placed higher in the range. We emphasize variable compensation because it minimizes fixed expense associated with salary and enables annual cash compensation and total compensation to fluctuate directly with performance against operating goals and changes in share price. This approach aligns overall costs with performance and provides executives with a leveraged and attractive compensation opportunity that varies based on results. This approach also provides an opportunity for actual compensation to exceed targeted market rates through superior performance. Conversely, executives may earn less than target for performance that does not meet our goals or due to declines in our stock price, and as a result, when our stock price declines and/or specific operating objectives are not attained, realized compensation may fall into the lower quartile relative to market rates.

Consistent with the above philosophy, the Compensation Committee believes that base salary should comprise approximately 20% of primary compensation, which we define to include salary, annual cash incentive and long-term compensation. The remaining portion of the primary compensation opportunity is a performance-based mix of annual cash incentive, stock options, performance shares and long-term cash-based incentive awards. The design and mix of our variable compensation has evolved over the past several years to balance cost, share dilution and attraction and retention objectives in support of the core principles described above. The market value of our Common Stock, which continued to experience significant volatility during 2012, and the availability of shares under our equity compensation plans constrain our ability to use stock-based compensation to deliver a specified level of targeted compensation opportunity.

Compensation Decision-Making

In performing its duties, the Compensation Committee meets periodically with the CEO to review compensation policies and specific levels of compensation paid to officers and other key personnel, and reports and makes recommendations to the Board regarding executive compensation policies and programs. In addition, the CEO annually makes recommendations to the Compensation Committee regarding salary adjustments and the setting of annual incentive targets and awards and long-term compensation targets and awards for officers other than himself, including the other named executive officers. In determining the compensation of a named executive officer, the Compensation Committee considers individual performance, our performance and relative shareholder return, the compensation of officers with similar responsibilities at comparable companies, the awards given to the named executive officer in past years, the relationship between the compensation to be received by the officer and the compensation to be received by the other named executive officers (which we refer to as internal pay equity), including comparing the relationship to that found at comparable companies, and such other factors that the Committee deems relevant that are discussed elsewhere in this Compensation Discussion and Analysis. For further information regarding the Compensation Committee and its authority and responsibilities, see Corporate Governance Principles and Board Matters Compensation Committee at page 4.

On an ongoing basis, the Compensation Committee reviews our executive compensation practices to determine whether they meet, and are consistent with, the key objectives of our compensation program. The Compensation Committee generally adheres to the guidelines and philosophy described above under Compensation Philosophy and Key Principles. However, significant changes in our business or the markets in general, may cause the Compensation Committee to deviate from these guidelines if deemed appropriate. This allows the Compensation Committee to motivate our executives and other key personnel to attain appropriate short-term and long-term performance goals and to manage the Company for sustained long-term growth, serve the best interests of the Company and our shareholders, and attract and retain talented executives.

The Compensation Committee considered the economic and tire industry environment when it established our 2012 executive compensation program in February 2012. The performance targets for the 2012 performance period under our variable incentive plans would be achieved, at the target performance level, if we successfully executed our operating plan for 2012, which reflected the challenging and uncertain economic and industry environment. The targets the Compensation Committee established were considered aggressive targets, the achievement of which would mean we had successfully met the significant challenges posed by continuing weak economic conditions, were a stronger competitor and were poised for future growth. In light of the higher overall performance targets relative to recent recessionary periods (2009 to 2011) that were established for the 2012 awards under our variable incentive plans, the Compensation Committee provided that the maximum award would be 200% of target, rather than 150% of target, consistent with our practice prior to the recent recession. In order to further align our long-term incentive plans with shareholder interests, awards made under those plans in 2012 were subject to an increase or decrease of up to 20% based on our total shareholder return versus the S&P 500 over the three-year period ending on December 31, 2014.

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Role of Compensation Consultant

The Compensation Committee has the authority to retain and terminate outside advisors, including compensation consultants, to assist it in evaluating actual and proposed compensation for our officers. During 2012, the Compensation Committee retained Frederic W. Cook & Co., Inc., as its independent compensation consultant, to provide advice and assistance on executive compensation matters, including the 2012 compensation decisions that are discussed elsewhere in this Compensation Discussion and Analysis. As part of its engagement, Frederic W. Cook & Co. reviewed our executive compensation peer group and conducted a competitive analysis of compensation for the named executive officers as well as our operational and stock price performance relative to the peer group. Frederic W. Cook & Co. also assisted the Committee with a variety of other issues, including setting CEO compensation, compensation issues related to leadership succession activities, the design and establishment of performance goals under our variable incentive plans, and the design of the new Executive Severance Plan and the proposed 2013 Performance Plan. In addition, Frederic W. Cook & Co. reviewed and provided recommendations regarding our non-management director compensation program and made a presentation to the full Board on trends and regulatory developments in executive compensation. A representative of Frederic W. Cook & Co. regularly attends Compensation Committee meetings. Frederic W. Cook & Co. works with Goodyear management only under the direction of the Compensation Committee and does not provide any other advice or consulting services to the Company.

Benchmarking of Primary Compensation

As noted above, the Compensation Committee generally targets primary compensation levels for named executive officers at median market rates. For these purposes, the Compensation Committee has determined market rates by considering two sources:

proxy statements of 17 peer companies with annual revenues at the time of the analysis ranging from $10.1 billion to $55.7 billion and median revenues of $17.3 billion (for 2012, we had revenues of $21.0 billion); and

broad-based compensation surveys published from time to time by national human resources consulting firms.

For 2012 compensation decisions, the peer group noted above consisted of:

3M Company	Johnson Controls, Inc.
Caterpillar Inc.	Lear Corporation
Cummins Inc.	PACCAR Inc.
Deere & Co.	Parker-Hannifin Corporation
E.I. du Pont de Nemours and Co.	PPG Industries, Inc.
Eaton Corporation plc	Stanley Black & Decker, Inc.
Honeywell International Inc.	TRW Automotive Holdings Corp.
Illinois Tool Works Inc.	Whirlpool Corporation
Ingersoll-Rand plc	

This peer group was selected because the companies, as a whole, represent organizations of comparable size and complexity that we compete with for executive talent. The peer group includes companies in similar industries with comparable business models and global reach, but does not include other companies in the tire industry because no other U.S.-based tire company is similar in size and complexity to us and non-U.S.-based tire companies do not publish comparable compensation information.

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For 2012 compensation decisions, the Compensation Committee comprehensively reviewed the composition of the peer group using the following criteria: (1) size, including revenues, market capitalization and enterprise value; (2) global manufacturing focus; (3) industry focus, particularly companies in the automotive industry; (4) consumer branded product companies; (5) companies with which we compete for executive talent; and (6) number of employees. As a result of that review, the Compensation Committee removed Emerson Electric, Textron and United Technologies from our 2012 peer group and added Cummins, Ingersoll-Rand, Parker-Hannifin and Stanley Black & Decker. The Compensation Committee may continue to make changes in the peer group from time to time based on the criteria described above or other relevant factors.

Data with respect to comparable elements of primary compensation is compiled for the peer group of companies described above from available sources, including, in most cases, the most recently available annual proxy statements and other SEC filings that address executive compensation matters.

Elements of Compensation

Annual Compensation

Base Salaries

We target base salaries in the aggregate below median market rates, as required by the USW Agreement, and place correspondingly greater emphasis on performance-based incentive and equity compensation. Salary guidelines for each named executive officer s position are based primarily on market data that we derive through our benchmarking practices, as described above. We also develop salary guidelines from compensation surveys based on revenues of the surveyed companies. In addition to data derived from these surveys, the Compensation Committee reviews general surveys prepared by national human resources consulting firms indicating past, present and annual increases to salaries for executive positions. The Compensation Committee also considers the CEO s recommendations (other than with respect to his base salary), which are based in substantial part on the guidelines described above as well as on the CEO s evaluation of the performance of each named executive officer against corporate, operating unit and individual objectives established at the start of each year, their current and future responsibilities, our recent financial performance, retention considerations, internal pay equity, and general economic and competitive conditions.

2012 Base Salary Decisions

Using the methodologies described above for setting salary guidelines, we compared total compensation levels for our named executive officers and our other officers against market compensation data provided by Frederic W. Cook & Co. We concluded that the base salaries of our named executive officers were, in the aggregate, below the market median, consistent with the USW Agreement.

In 2012, the overall increase in base salaries for all officers was 4.3%. Base salary increases were determined in February 2012. Messrs. Kramer, Wells, de Bok and Bialosky received increases of 5.0%, 5.6%, 5.5% and 3.8%, respectively. Mr. Smith, who joined the Company in October 2011, did not receive a base salary increase in 2012. Salaries of the named executive officers in 2012 were an average of 7% lower than the median indicated by the salary guidelines described above. Salaries in 2012 averaged approximately 17% of primary compensation paid to the named executive officers.

Annual Cash Incentives Under the Management Incentive Plan

Under the Management Incentive Plan, each participant is eligible to receive a maximum performance award equal to a percentage of the Company s EBIT for the year. EBIT, as defined in the Management Incentive Plan, means the Company s net sales, less cost of goods sold, and selling, administrative and general expenses, as reported in the Company s consolidated statement of operations for the year, prior to accrual of any amounts for payment under the Management Incentive Plan, adjusted to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items, other unusual or non-recurring items, and the cumulative effect of tax

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or accounting changes, each as defined by generally accepted accounting principles or identified in the Company s consolidated financial statements, notes to the consolidated financial statements or management s discussion and analysis of financial condition and results of operations.

Specifically, the CEO is eligible to receive a performance award equal to 0.75% of EBIT and the other named executive officers are each eligible to receive a performance award equal to 0.50% of EBIT. The actual performance award granted to a participant is determined by the Compensation Committee, which retains the discretionary authority to reduce or eliminate (but not increase) a performance award based on its consideration of, among other things, corporate and/or business unit performance against achievement of financial or non-financial goals, economic and relative performance considerations, and assessments of individual performance, which we refer to as the MIP performance objectives.

The MIP performance objectives are designed to emphasize important short-term operating and tactical objectives that directly drive the creation of shareholder value and provide appropriate balance with the metrics used in our long-term incentives. An individual s target incentive level for the award, taking into account the MIP performance objectives, is set annually at rates near median market levels. Each MIP performance objective has a target level as well as a threshold and maximum level, which are determined based on the perceived difficulty of the established targets and actual results for those measures in prior years.

Awards are generally paid in cash. However, named executive officers may elect to defer all or a portion of their award in the form of cash or stock units. If deferred in the form of stock units, we will match 20% of the deferred amount with additional stock units that will vest in one year subject to the executive s continued employment. Any stock units are converted to shares of Common Stock and paid to the participant in January of the fourth year following the end of the plan year under which the award was earned. See Executive Deferred Compensation Plan below.

2012 Annual Incentive Payouts

For 2012, our EBIT, prior to accrual of any amounts for payment under the Management Incentive Plan, was $1,174 million, and the MIP performance objectives under the Management Incentive Plan were as follows:

- for corporate officers (including Messrs. Kramer, Wells, Bialosky and Smith): (i) 40% based on Goodyear s EBIT, after accrual of any amounts for payment under the Management Incentive Plan (Corporate EBIT); (ii) 40% based on Goodyear s operating cash flow (cash flow from operations and investing activities, each adjusted for foreign currency exchange, less the change in restricted cash and dividends paid to minority interests in subsidiaries); and (iii) 20% based on the operating drivers described below.

- for officers of our four operating units (including Mr. de Bok) (a) 60% on that operating unit s results as follows: (i) 40% based on the operating unit s EBIT, after accrual of any amounts for payment under the Management Incentive Plan (Operating Unit EBIT); (ii) 40% based on the operating unit s operating cash flow (as defined above); and (iii) 20% based on the operating drivers described below; and (b) 40% on overall company results as described in the preceding bullet point. We believe these weightings hold our operating unit executives most accountable for financial results in the areas where they have the most control and influence, but also motivate them to work cooperatively with other operating units to maximize results for the entire Company.

The Compensation Committee used Corporate EBIT and Operating Unit EBIT to measure our results of operations and operating cash flow to measure our liquidity, which enables us to provide funding for investments in future growth. The Compensation Committee also emphasized the balance between profitability and liquidity by equally weighting EBIT and operating cash flow.

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In 2012, the Compensation Committee established the following operating drivers that were consistent with our annual operating plan and are tied to the achievement of important strategic objectives that drive the success of our business, which we refer to as our Strategy Roadmap :

Strategy Roadmap Key How To s	**Operating Drivers**
Market-Back Innovation Excellence Target Profitable Market Segments	New Product Vitality Meet goals for the proportion of branded replacement tire sales volume from products launched in the last four years.
Operational Excellence	Manufacturing Productivity Achieve $100 million in cost reductions from improvements in labor, overhead and utilities costs and raw material cost productivity.
Enabling Investments	Working Capital Excellence Achieve a ratio of working capital to net sales of 11.2%.

The Compensation Committee established the MIP performance objectives in February 2012, taking into account the economic environment that is discussed above under the heading Overview. Consistent with past practices, the Compensation Committee excluded accelerated depreciation expense related to plant closures from the Corporate EBIT and Operating Unit EBIT targets and excluded certain cash payments related to restructuring actions from the operating cash flow targets. In addition, the Compensation Committee adjusted our actual results for overall company operating cash flow for actions taken in 2012 to mitigate the impact of a potential future devaluation of the Venezuelan currency (which, in fact, subsequently occurred in February 2013). The Compensation Committee determined that a negative operating cash flow target was appropriate given our planned capital expenditures of $1.1 billion to $1.3 billion, which enable us to take advantage of future growth opportunities, anticipated global pension contributions of $550 million to $600 million, and interest expense of $360 million to $385 million. Overall, the Compensation Committee believed the MIP performance objectives reflected a significant stretch for the Company given the financial and operating challenges presented by the uncertain economic environment.

In February 2013, the Compensation Committee reviewed actual results for 2012 with respect to achievement of the company-wide and operating unit MIP performance objectives.

	Target	**Actual Adjusted Results**	**Performance (% over/(under) target)**
MIP Overall Company Performance (2012):			
Corporate EBIT	$1,200 million	$ 1,170 million	(2.5%)
Operating cash flow	$(620) million	$(121) million	80%

The Europe, Middle East and Africa Tire (EMEA) unit (the performance of which is relevant for determining Mr. de Bok s incentive payment) did not meet either its Operating Unit EBIT threshold or its operating cash flow threshold.

The Compensation Committee also considered our achievement of the operating drivers, including the degree of difficulty in achieving our goals under the drivers given the economic environment during 2012 and other qualitative supporting factors, such as our underlying operating performance. The Committee then assessed whether our performance against the operating drivers was below, at or above target, taking into consideration the qualitative factors described in the preceding sentence. The Committee determined that we exceeded two of the three operating drivers but fell short of our new product vitality goal by approximately two percentage points. In reaching that conclusion, the Committee considered, among other things, the following achievements by the Company and the contributions of each operating unit to those achievements:

- Achieving approximately $196 million of manufacturing productivity cost savings versus a goal of $100 million, and $346 million of total cost savings under our cost savings plan.

- Achieving a ratio of working capital to net sales of 10.7% versus a goal of 11.2%.

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Since the overall company operating cash flow target was exceeded and the Corporate EBIT target was nearly met, the Committee determined that the operating driver performance should mirror the calculated performance using the financial performance measures for overall company results. Since EMEA did not meet either its Operating Unit EBIT or operating cash flow thresholds, the Committee determined that EMEA would not receive any payout based upon its operating driver performance. In reaching these decisions, the Committee considered whether the performance under the financial performance measures and the operating drivers were appropriately aligned, and concluded that they were.

The Compensation Committee then reviewed its assessment of the CEO s performance and the CEO s assessment of each of the other named executive officer s performance during 2012, and their respective contributions to our results. In particular, the Compensation Committee considered the CEO s contributions to the achievement of:

- Strong working capital management, which drove strong cash flow performance.
- Record segment operating income in North America and Asia Pacific, tempered by poor performance in EMEA due to continued economic weakness in Europe.
- Improvements in price and product mix of over $1.0 billion that exceeded raw material cost increases of $576 million.
- Continued strong momentum in innovation.
- Successfully completing our three-year cost savings plan and exceeding our $1.0 billion goal by $100 million.
- Driving operational excellence initiatives.
- Continued strengthening of our leadership team.

The CEO and the Compensation Committee also considered the contributions of the other named executive officers in furthering the Company s strategic initiatives described in the preceding bullet points.

The Compensation Committee then establishes an aggregate incentive pool for all officers, and determines the payout for each officer. In this process, the officer s target incentive amount is first multiplied by the same percentage used to determine the applicable portion of the aggregate incentive pool. (For example, if the portion of the aggregate incentive pool applicable to such officer, e.g., overall company, is funded at 150% of the aggregate target incentive amount, the officer s individual payout initially would be set at 150% of his individual incentive target.) Then, the CEO assesses the officer s individual performance and contributions towards Company goals and makes his recommendations with respect to individual payout amounts to the Compensation Committee, which considers the CEO s recommendations and determines the final payouts. The Compensation Committee undertakes the same process for the CEO and makes the determination as to the final payout amount for the CEO. Officers can earn between 0% and 200% of their target incentive, but the total payout for all officers may not exceed the aggregate incentive pool.

In light of our Corporate EBIT or Operating Unit EBIT, as the case may be, operating cash flow and operating driver performance and the other considerations described above, the Compensation Committee limited the awards for Messrs. Kramer, Wells, Bialosky and Smith to payouts of 148% and for Mr. de Bok to a payout of 38% of their respective target amounts under the 2012 MIP performance objectives.

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The table below presents information regarding the target and actual awards for our named executive officers under the Management Incentive Plan:

Name	Target Under MIP Performance Objectives ($)	Actual Award ($)	Actual Award as a % of Target Under MIP Performance Objectives	Actual Award as a % of Base Salary
Kramer	$ 1,575,000	$ 2,331,000	148%	222%
Wells	502,850	744,218	148%	132%
de Bok	522,522	200,000	38%	34%
Bialosky	405,000	599,400	148%	111%
Smith	446,250	660,450	148%	126%

Long-Term Compensation

Long-term incentives are delivered through grants of stock options and performance shares under our 2008 Performance Plan, a shareholder-approved equity compensation plan, and long-term cash-based incentive awards under our Executive Performance Plan. Long-term performance-based compensation is generally designed to represent approximately 65% of the primary compensation of named executive officers, assuming target performance levels. This is consistent with our emphasis on long-term compensation, which better ties the executive s compensation to long-term operational success and shareholder value creation. The mix of long-term compensation between stock option grants, performance share grants and cash-based long-term incentives was based, in part, on the market value of our Common Stock, the number of shares available for grant under the 2008 Performance Plan, and considerations relating to managing the dilutive effect of share-based awards. These factors impact our ability to use stock-based compensation to deliver a specified level of targeted compensation opportunity. As a result, the Compensation Committee believes that a cash-based plan, in combination with our stock-based awards, is necessary to provide competitive performance and retention incentives. In order to further align our long-term incentive plans with shareholder interests, performance share and long-term cash-based incentive awards are subject to an increase or decrease of up to 20% based on our total shareholder return versus the S&P 500 over the three-year period of those awards. In addition, the Compensation Committee further revised the design of our performance share and long-term cash-based incentive awards in 2012 by establishing a three-year plan whereby the performance targets for each year of the three-year period are established on the grant date in order to provide greater accountability for long-term results, weighted 50% for the first year, 30% for the second year and 20% for the third year.

The amount and terms of grants to named executive officers under the 2008 Performance Plan and the Executive Performance Plan are based on criteria established by the Compensation Committee and consist of responsibility level, base salary level, current Common Stock market price, officer performance, recent Goodyear performance, internal pay equity, and, with respect to the 2008 Performance Plan, the number of shares available under the plan.

Cash-Based Awards Under the Executive Performance Plan

The Executive Performance Plan provides long-term incentive compensation opportunities in order to motivate key personnel to achieve our long-term business objectives and to attract, retain and reward key personnel.

2012 Grants Under the Executive Performance Plan

The Compensation Committee granted Executive Performance Plan units in February 2012 that have the following characteristics:

the target value is $100 per unit;

the payout amount is based on results over a three-year period, with performance targets for each year of the three-year period established on the grant date, weighted 50% for the first year, 30% for the second year and 20% for the third year;

the payout amount can range from $0 per unit to $200 per unit for the 2012-2014 awards based on actual results (and assuming the recipient remains continuously employed by us through the entire three-year period); and

the payout amount can increase or decrease up to 20% (up to a maximum of $200 per unit) based on our total shareholder return versus the S&P 500 over the three-year period ending December 31, 2014.

The number of target units awarded annually to each named executive officer is based on a number of considerations, including market data about competitive long-term compensation, share availability under our equity compensation plans and the CEO s recommendations (other than with respect to his own award), which are based on the CEO s evaluation of the performance of each named executive officer, our recent performance, internal pay equity, retention considerations, and general economic and competitive conditions.

The performance criteria for the 2012, 2013 and 2014 performance periods for the 2012-2014 awards were, consistent with our strategic plan, based 50% on net income and 50% on total cash flow, net of debt. The same performance criteria were used to measure 2012 performance for the 2010-2012 and 2011-2013 awards. Results were based on our consolidated performance, with no award tied to business unit performance. In this manner, the plan balances performance measures used under the Management Incentive Plan and reinforces the need for teamwork among executives. Net income was used as a measure to focus on improvement in profitability. Cash flow focused on our efforts to manage the cash requirements associated with our business, including our debt and pension obligations, and our efforts to improve our capital structure and provide funding for investments in future growth. Adjusting for net debt provides incentive to reduce our obligations, including our debt and pension obligations. The amount of debt that is netted out is equal to the change in our total debt and our cash and cash equivalents, as adjusted for our pension contributions.

The Compensation Committee set the performance targets for the 2012, 2013 and 2014 performance periods in February 2012, taking into account the economic environment that is discussed above under the heading Overview. The Compensation Committee also emphasized the balance between liquidity and profitability by equally weighting net income and cash flow, net of debt. Consistent with past practices, the Compensation Committee adjusted actual company results over the performance period to exclude restructuring charges. In addition, the Compensation Committee adjusted actual company results for total cash flow, net of debt, for actions taken in 2012 to mitigate the impact of a potential future devaluation of the Venezuelan currency (which, in fact, subsequently occurred in February 2013). The goals for total cash flow, net of debt, reflected planned capital investments of $1.1 billion to $1.3 billion, anticipated global pension contributions of $550 million to $600 million, and interest expense of $360 million to $385 million. The performance targets for the 2012, 2013 and 2014 performance periods would be achieved at the target performance level if we successfully executed our operating plans for that three-year period.

The value of the units granted for the 2012-2014 awards (assuming payout at $100 per unit) represents approximately 60% of the value of total long-term compensation awarded to the named executive officers in 2012. Included in the 2012-2014 awards were grants of 45,000; 10,593; 11,178; 8,713; and 9,281 units to Messrs. Kramer, Wells, de Bok, Bialosky and Smith, respectively.

See Performance for the 2012 Performance Period Under the Executive Performance Plan and With Respect to Performance Shares below for further information on our achievement of the performance targets.

Performance Shares

We provide performance shares to our executive officers in order to more closely align executive compensation to the performance of our Common Stock. We believe that performance shares, like the cash-based Executive

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Performance Plan, drive operational performance while also driving shareholder value creation, thereby better aligning the interests of our executives with those of our shareholders.

2012 Performance Share Grants

The Compensation Committee granted performance shares under the 2008 Performance Plan in February 2012 that have the following terms:

- performance shares are earned based on results over a three-year period, with performance targets for each year of the three-year period established on the grant date, weighted 50% for the first year, 30% for the second year and 20% for the third year;
- the number of performance shares earned can range from zero to two performance shares per performance share granted for the 2012-2014 awards based on actual results (and assuming the recipient remains continuously employed by us through the entire three-year period);
- the number of performance shares earned can increase or decrease up to 20% (up to a maximum of two performance shares per unit granted) based on our total shareholder return versus the S&P 500 over the three-year period ending December 31, 2014; and
- once vested, performance shares are paid 100% in Common Stock.

The number of performance shares awarded annually to each named executive officer, measured by the percentage of total long-term compensation represented by such shares, is based on a number of considerations, including market data for comparable long-term incentive compensation and the CEO s recommendations (other than with respect to his own award), which are based on the CEO s evaluation of the performance of each named executive officer, our recent performance, share availability under our equity compensation plans, internal pay equity, retention considerations, and general economic and competitive conditions.

The performance criteria for the 2012, 2013 and 2014 performance periods for the 2012-2014 awards were based 50% on net income and 50% on total cash flow, net of debt, as described above under Cash-Based Awards Under the Executive Performance Plan in order to align management s efforts to achieve our goals under our long-term incentive compensation plans. The value of the performance shares granted for the 2012-2014 awards represents approximately 10% of the value of total long-term compensation awarded to the named executive officers in 2012. In 2012, target grants of 57,959; 13,643; 14,397; 10,794; and 11,454 performance shares for the 2012-2014 period were made to Messrs. Kramer, Wells, de Bok, Bialosky and Smith, respectively, having the terms described above.

Performance for the 2012 Performance Period Under the Executive Performance Plan and With Respect to Performance Shares

The table below shows the performance goals and corresponding earn out percentages for the 2012 performance period applicable to the third year of the 2010-2012 awards, the second year of the 2011-2013 awards and the first year of the 2012-2014 awards.

	Payout per Executive Performance Plan Unit or Performance Share			
	50%	**100%**	**150%(1)**	**200%(2)**
Performance Goals (2012):				
Net income	$155 million	$400 million	$525 million	$650 million
Total cash flow, net of debt	$(20) million	$160 million	$270 million	$380 million

(1) Applicable to 2010-2012 and 2011-2013 awards.

(2) Applicable to 2012-2014 awards.

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The table below shows actual adjusted results with respect to the performance measures during the 2012 performance period.

	Target	Actual Adjusted Results	Performance (% over target)	Payout Percentage
Performance Results (2012):				
Net income	$ 400 million	$ 479 million	20%	131%
Total cash flow, net of debt	$ 160 million	$ 714 million	346%	150%(1)/200%(2)

(1) Applicable to 2010-2012 and 2011-2013 awards.

(2) Applicable to 2012-2014 awards.

During the 2012 performance period, we faced a number of challenges and took action to meet those challenges, as discussed above under the heading Overview. As a result, we exceeded our maximum total cash flow, net of debt targets for the 2012 performance period due to our efforts to manage cash flow during the performance period, particularly with respect to working capital which was a benefit of $457 million in 2012, and exceeded our net income target for the 2012 performance period primarily due to price and product mix improvements, cost saving actions and other strategic initiatives we implemented in response to global economic conditions.

Executive Performance Plan

Based on the results during the 2012 performance period, the Compensation Committee approved earnings on the Executive Performance Plan awards for such period in an amount equal to 141% of the target amount per unit for 2010-2012 and 2011-2013 awards (capped at 150% of target) and 166% of the target amount per unit for 2012-2014 awards (capped at 200% of target). The payout of these amounts is contingent upon the named executive officer s continued service during the related three-year period, except in the case of certain events, such as retirement, death, disability or severance following a change-in-control.

The table below shows amounts earned for each of the named executive officers in respect of their grants under the Executive Performance Plan for the 2012 performance period with respect to their 2010-2012 awards, which represents one-third of the three-year target award opportunity:

Name	Target Award ($)	Maximum Award ($)	Actual Award ($)
Kramer	$ 1,020,933	$ 1,531,400	$ 1,439,519
Wells	328,933	493,400	463,796
de Bok	351,967	527,950	496,273
Bialosky	290,433	435,650	409,511
Smith			

The table below shows amounts earned for each of the named executive officers in respect of their grants under the Executive Performance Plan for the 2012 performance period with respect to their 2011-2013 awards, which represents one-third of the three-year target award opportunity:

Name	Target Award ($)	Maximum Award ($)	Actual Award ($) (1)
Kramer	$ 1,276,133	$ 1,914,200	$ 1,799,348
Wells	416,667	625,000	587,500
de Bok	441,667	662,500	622,750
Bialosky	290,433	435,650	409,511

Smith	309,367	464,050	436,207

(1) Payable contingent on continued service through December 31, 2013 and subject to a three-year relative total shareholder return modifier.

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The table below shows amounts earned for each of the named executive officers in respect of their grants under the Executive Performance Plan for the 2012 performance period with respect to their 2012-2014 awards, which represents one-half of the three-year target award opportunity:

Name	Target Award ($)	Maximum Award ($)	Actual Award ($) (1)
Kramer	$ 2,250,000	$ 4,500,000	$ 3,735,000
Wells	529,650	1,059,300	879,219
de Bok	558,900	1,117,800	927,774
Bialosky	435,650	871,300	723,179
Smith	464,050	928,100	770,323

(1) Payable contingent on continued service through December 31, 2014 and subject to a three-year relative total shareholder return modifier. For further information on the tax deductibility of awards under the Executive Performance Plan, see Tax Deductibility of Pay at page 38.

Performance Shares

Based on the results during the 2012 performance period, the Compensation Committee approved earnings with respect to performance share awards for such period in an amount equal to 166% of the target number of performance shares.

The table below shows the earnings for each of the named executive officers in respect of their 2012-2014 grants of performance shares for the 2012 performance period, which represents one-half of the three-year target award opportunity:

Name	Target Award (Shares)	Maximum Award (Shares)	Actual Number of Shares Earned(1)
Kramer	28,980	57,959	48,105
Wells	6,822	13,643	11,323
de Bok	7,199	14,397	11,949
Bialosky	5,397	10,794	8,959
Smith	5,727	11,454	9,506

(1) Payable contingent on continued service through December 31, 2014 and subject to a three-year relative total shareholder return modifier.

Payout of 2010-2012 Long-Term Awards

The Compensation Committee also approved the distribution of shares of Common Stock for previously earned performance shares and the payout of amounts earned under the Executive Performance Plan to the named executive officers, in each case, with respect to the 2010-2012 awards.

Stock Options

The Compensation Committee annually grants stock options to named executive officers and other key employees to link our executives compensation to results earned by shareholders and to build executive stock ownership. Stock options constitute an important element of our long-term incentive compensation program. Because options result in gains only in the event that the stock price appreciates, they serve to align the interests of management with shareholders.

2012 Stock Option Grants

Stock options granted under the 2008 Performance Plan in 2012 have the following terms:

- options vest in equal, annual installments over a four-year period;
- options have a ten-year term; and
- the exercise price is equal to the closing market price of our Common Stock on the date of grant.

All options granted to named executive officers during 2012 were non-qualified stock options. The portion of long-term incentive compensation provided in the form of stock option grants each year is determined based on the number of available options under the 2008 Performance Plan, as well as market data on long term-compensation. We use a Black-Scholes valuation model to determine the number of stock options needed to provide the desired value consistent with overall median market compensation.

In 2012, grants of 353,218; 83,147; 87,739; 65,781; and 69,807 stock options were made to Messrs. Kramer, Wells, de Bok, Bialosky and Smith, respectively, having the terms described above. The value of these stock option grants represents approximately 30% of the value of total long-term compensation awarded to the named executive officers in 2012.

Retirement Benefits

We provide our named executive officers with retirement benefits under both tax-qualified and non-qualified retirement plans. The tax-qualified plan benefits are pursuant to a defined benefit pension plan, the Goodyear Salaried Pension Plan (the Salaried Plan), and a defined contribution plan, the Goodyear Employee Savings Plan for Salaried Employees (the Savings Plan). The non-qualified plan benefits are pursuant to an unfunded defined benefit plan, the Goodyear Supplementary Pension Plan (the Supplementary Plan).

The Salaried Plan is designed to provide tax-qualified pension benefits for U.S.-based salaried employees hired prior to January 1, 2005. The Savings Plan is designed to provide an opportunity for U.S.-based salaried employees to save for retirement on a tax-deferred basis. Messrs. Kramer and Wells participate in the Salaried Plan along with other Goodyear employees. Effective December 31, 2008, the Salaried Plan accrued benefit was frozen. Since that date tax-qualified benefit accruals for Messrs. Kramer and Wells and other Goodyear salaried employees who participate in the Salaried Plan are provided by Company contributions under the retirement contributions feature of the Savings Plan. Salaried employees hired after December 31, 2004, including Messrs. Bialosky and Smith, also participate in the retirement contributions feature of the Savings Plan. Participants in the Savings Plan, including all of the named executive officers other than Mr. de Bok, are currently eligible to receive Company matching contributions in addition to the retirement contributions described above.

Mr. de Bok does not participate in the Salaried Plan or the Savings Plan, instead he participates in Goodyear s Netherlands Pension Plan and in government-sponsored (but Company-funded) pension plans in The Netherlands and Belgium.

The Supplementary Plan provides additional pension benefits to officers and certain other key individuals identified by the Compensation Committee. All of the named executive officers participate in the Supplementary Plan. The Supplementary Plan provides pension benefits to participants who retire with at least 30 years of service, retire after age 55 with at least ten years of service or retire after age 65 with at least five years of service. Benefits payable under the Supplementary Plan are offset by the amount of any benefits payable under the Salaried Plan, the retirement contributions feature of the Savings Plan, applicable non-U.S. pension plans, and certain prior employer pension plans. The Committee believes supplemental executive retirement plans such as the Supplementary Plan are an important part of executive compensation and are utilized by most large companies, many of which compete with the Company for executive talent. Retirement benefits, including those provided through a supplemental executive retirement plan, are a critical component of an executive s overall compensation program and are essential to attracting, motivating and retaining talented executives with a history of leadership and to providing retirement replacement income. Retirement benefits are an important factor in an executive s decision to accept or reject a new position.

We also maintain a non-qualified unfunded defined benefit Excess Benefit Plan that pays an additional pension benefit over that paid from the Salaried Plan if a participant does not meet the eligibility requirements of the Supplementary Plan. None of the named executive officers are currently eligible to receive a benefit under the Supplementary Plan because they have not met the age and service requirements discussed in the prior paragraph, and Messrs. de Bok, Bialosky and Smith are not eligible to participate in the defined benefit Excess Benefit Plan. The additional benefit under the defined benefit Excess Benefit Plan is equal to the amount a participant would have received from the Salaried Plan but does not because of the limitations imposed by the Internal Revenue Code of 1986, as amended (the Code), on pension benefits under qualified plans. This plan is provided to allow the extension of benefits from the qualified plan to individuals whose compensation exceeds the Code limitations for qualified plans. Like the qualified plans, effective December 31, 2008 accruals were frozen under the defined benefit Excess Benefit Plan. For employees hired after December 31, 2004, and for all employees as of December 31, 2008, who do not meet the eligibility requirements of the Supplementary Plan, there is a corresponding non-qualified defined contribution Excess Benefit Plan that mirrors the retirement contributions feature of the Savings Plan. Mr. de Bok is not eligible to participate in the defined contribution Excess Benefit Plan.

For more information regarding the terms of these plans and the named executive officers accrued benefits under these plans, see Defined Contribution Plan Benefits and Pension Benefits at page 48.

Severance and Change-in-Control Benefits

In February 2013, we amended our Executive Severance Plan (the Executive Severance Plan) to provide for the payment of severance benefits to our officers, including the named executive officers but excluding Mr. de Bok, if their employment is terminated under certain circumstances during certain periods before or within two years following a change-in-control of the Company. The amendment replaced benefits that were previously provided under the Continuity Plan for Salaried Employees. In amending the Executive Severance Plan, we eliminated (a) excise tax gross-up provisions for all officers and (b) the right of any officer to voluntarily terminate their employment following a change-in-control and receive severance benefits other than in the case of Good Reason (as defined in the Executive Severance Plan).

The Executive Severance Plan is designed to attract, retain and motivate employees, provide for stability and continuity in the event of an actual or threatened change-in-control, and ensure that our employees are able to devote their full time and attention to the Company s operations in the event of an actual or threatened change-in-control.

The Executive Severance Plan and the related change-in-control triggers (commonly referred to as double triggers) generally provide for the payment of severance benefits if employment is terminated under certain circumstances during certain periods before or within two years following a change-in-control of the Company. The change-in-control triggers in our 2008 Performance Plan and our proposed 2013 Performance Plan are substantially similar to those in the Executive Severance Plan. We selected the specific change-in-control triggers used in the Executive Severance Plan and the proposed 2013 Performance Plan, such as the acquisition of 20% or more of Goodyear s Common Stock, a significant change in the composition of the Board of Directors or the acquisition of actual control of Goodyear, based upon our review of market practices, including provisions included in similar agreements of other public companies. Based upon that review, we determined that the terms and conditions of the Executive Severance Plan, including the specific change-in-control triggers were consistent with market practices.

The Executive Severance Plan also continues to provide severance benefits to our officers, including each of the named executive officers (other than Mr. de Bok), if their employment is terminated by us other than for Cause (as defined in the Executive Severance Plan), death or disability, and other than in connection with a change-in-control.

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The Compensation Committee believes that our severance benefits are in the best interests of the Company and our shareholders, are a necessary component of a competitive compensation program, and are not significantly different from the severance benefits typically in place at other companies.

For additional information regarding the terms of the Executive Severance Plan and benefits payable under that plan, see Potential Payments Upon Termination or Change-in-Control at page 51.

Perquisites

We provide certain executive officers, including our named executive officers, with limited personal benefits and perquisites, as described below and in footnote 5 to the Summary Compensation Table at page 41. The Compensation Committee has reviewed and approved the perquisites described below. While the Compensation Committee does not consider these perquisites to be a significant component of executive compensation, it recognizes that such perquisites are an important factor in protecting our executive officers and in enabling them to focus on our business with minimal disruption. We do not provide any tax reimbursements to our executive officers for any of the perquisites we provide them.

Home Security Systems. We pay for the cost of home security systems for a limited number of executive officers in order to enhance their safety and protect our investment in them. We cover the cost of installation, monitoring and maintenance for these systems.

Use of Company Aircraft. In limited circumstances, executive officers are permitted to use our company aircraft for personal travel. In these circumstances, the executive is also required to reimburse us for a portion of the cost of such use in an amount determined using the Standard Industry Fare Level.

Tire Program. We offer our executive officers and Board members the opportunity to receive up to two sets of tires per year at our expense, including the cost of tires, mounting, balancing and disposal fees.

Financial Planning and Tax Preparation Services. We offer financial assistance to our executive officers to help them cover the cost of financial planning and tax preparation services. In providing this benefit, we seek to alleviate our executives concern regarding personal financial planning so that they may devote their full attention to our business. The maximum annual cost to the Company under this program is $9,000 per officer.

Club Memberships. We pay the annual dues for a corporate club membership that is available to Mr. Kramer. None of the other named executive officers utilize this corporate club membership. The membership is intended to be used primarily for business purposes, although members may use the club for personal purposes so long as they pay all incremental costs, other than the annual dues, related to that personal use.

Annual Physical Exams. We strongly encourage our executive officers to have an annual comprehensive physical examination which we pay for in order to enhance their physical well-being and protect our investment in them.

Executive Deferred Compensation Plan

The Goodyear Executive Deferred Compensation Plan (the Deferred Compensation Plan) is a non-qualified deferred compensation plan that provides named executive officers and other highly compensated employees the opportunity to defer various forms of compensation. The plan provides several deferral period options. During 2012, no named executive officers made deferrals under the Deferred Compensation Plan. For participants, this offers an additional means to save for retirement on a tax-deferred basis. There is no guaranteed return associated with any deferred amounts.

For additional information regarding the terms of the deferred compensation plan and participant balances, see Nonqualified Deferred Compensation at page 51.

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Other Benefits

Payments to Expatriate Employees. Where warranted, we provide tax equalization payments, housing allowances, and other similar benefits to employees, including Mr. de Bok, living outside of their home country to compensate them for the additional costs of those assignments.

Tax Deductibility of Pay

Section 162(m) of the Code provides that compensation paid to a public company s chief executive officer and its three other highest paid executive officers at the end of the year (other than its chief financial officer) in excess of $1 million is not deductible unless certain requirements have been satisfied. The Compensation Committee believes that awards under the Management Incentive Plan and the 2008 Performance Plan qualify for full deductibility under Section 162(m).

Although compensation paid under the Executive Performance Plan is performance-based, it does not qualify for the deductibility exception for performance-based compensation since that Plan has not been approved by our shareholders. Therefore, payments under the Executive Performance Plan are subject to the Section 162(m) limitation on deductibility. Because of our significant U.S. deferred tax assets from prior periods, the limitation on deductibility has no impact on our financial position. In reviewing and considering payouts or earnings under the Executive Performance Plan, the Compensation Committee considered not only the impact of the lost tax deductions, but also the significant U.S. deferred tax assets available to us from prior periods, as well as the benefits realized by us and our shareholders from the successful efforts of our senior management team. In balancing these considerations, the Compensation Committee concluded that it would be appropriate to approve payouts in respect of the 2010-2012 grants and earnings for the 2012 performance period in respect of the 2011-2013 and 2012-2014 grants.

Stockholding Guidelines

To better link the interests of management and our stockholders, the Compensation Committee has established stockholding guidelines for our officers. These guidelines specify a number of shares that our officers are expected to accumulate and hold based on a multiple of annual base salary of two times for elected Vice Presidents, three times for Senior Vice Presidents, Executive Vice Presidents and the Presidents of our operating units, and five times for the CEO. Therefore, the stockholding requirement for Mr. Kramer is five times his annual base salary and for Messrs. Wells, de Bok, Bialosky and Smith is three times their annual base salary. All shares of Common Stock owned outright by officers (or their spouses) and held by them in the Goodyear stock fund of the Savings Plan, and 60% of the shares of restricted stock, restricted stock units and earned (but unvested) performance shares awarded to officers and share equivalent units held in our deferred compensation plan, are counted as ownership in assessing compliance with the guidelines. Unexercised stock options and unearned performance shares are not counted toward compliance with the guidelines. The stock price used in assessing compliance with the guidelines as of May 1st of each year will be the average closing stock price for the prior 60-day period.

The stockholding guidelines also include stock retention provisions. If an officer has met their stockholding requirement, they are required to retain 25% of the net shares received from any exercised options or any vested shares of Common Stock for at least one year from the date of exercise or vesting and may only sell or otherwise dispose of shares to the extent they will still meet their stockholding requirement following that sale or disposition. If an officer has not met their stockholding requirement, they are required to retain all of the net shares received from any exercised options or any vested shares of Common Stock, and may not sell or otherwise dispose of shares, until they have met their stockholding requirement unless they demonstrate a need to sell shares due to a financial hardship. Net shares are the shares remaining after payment of the exercise price and/or withholding taxes.

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Following the May 1, 2012 assessment, the stockholding requirement for each of our named executive officers increased significantly. Our named executive officers are making progress towards satisfying their stockholding requirement.

Restrictions on Hedging and Pledging

We have adopted, as part of our insider trading policy, prohibitions on the short sale of our Common Stock and other securities and the issuance, purchase or sale of, or trading or dealing in, puts, calls or other options or rights relating to our Common Stock and other securities. These provisions prohibit our directors, officers and employees from hedging the risk of their ownership of our Common Stock. We also prohibit our directors, officers and employees from holding our Common Stock and other securities in a margin account or otherwise pledging them as collateral for a loan.

Recovery of Compensation (Clawback Policy)

If the Compensation Committee determines that an officer has engaged in conduct detrimental to the Company, the Compensation Committee may take a range of actions to remedy this conduct, prevent its recurrence and impose appropriate discipline. Discipline would vary depending on the facts and circumstances, and may include (1) termination of employment, (2) cancelling or reducing any outstanding compensatory grants or awards, (3) initiating an action for breach of fiduciary duty or fraud which could include recovery of any unjustly obtained incentive compensation, and (4) requiring reimbursement of compensation or other payments in accordance with provisions of the Sarbanes-Oxley Act of 2002, our claw-back policy described below or the terms of the relevant compensation plan. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

Effective for 2012 awards, the Compensation Committee adopted a claw-back policy that effectively contractually extends the claw-back provisions of the Sarbanes-Oxley Act of 2002 that apply to our Chief Executive Officer and Chief Financial Officer to the Presidents of each of our strategic business units and all of our Senior Vice Presidents. If we are required to prepare an accounting restatement due to our material noncompliance with any financial reporting requirement as a result of misconduct, the claw-back policy would permit the Compensation Committee to require reimbursement of (1) any incentive compensation received from us during the one-year period following the publication of misstated financial statements and (2) any profits realized from the sale of our securities during that one-year period. We will make any necessary revisions to our claw-back policy once implementing rules pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 are adopted by the Securities and Exchange Commission and The NASDAQ Stock Market.

In addition, under our Executive Performance Plan and equity compensation plans, the Compensation Committee may require a plan participant who engages in competition with us within 18 months after their termination of employment to return or forfeit the realized value of all awards under those plans during such period of time that the Compensation Committee determines. Our Executive Severance Plan also provides for the recovery or forfeiture of severance payments if a person receiving payments pursuant to the plan violates certain confidentiality, non-disparagement, non-solicitation and non-competition covenants.

COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in Goodyear s Annual Report on Form 10-K for the year ended December 31, 2012.

The Compensation Committee

Thomas H. Weidemeyer, Chairman

William J. Conaty

W. Alan McCollough

Stephanie A. Streeter

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Summary Compensation Table

The table below sets forth information regarding the compensation of the CEO, the Chief Financial Officer of Goodyear (the CFO), and the persons who were, at December 31, 2012, the other three most highly compensated executive officers of Goodyear (collectively, the named executive officers) for services in all capacities to Goodyear and its subsidiaries during 2010, 2011 and 2012.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Richard J. Kramer Chairman of the Board, Chief Executive Officer and President(6)	2012	$ 1,033,333	$ 0	$ 786,504	$ 2,249,999	$ 9,304,867	$ 3,673,172	$ 57,849	$ 17,105,724
	2011	1,000,000	0	683,230	1,829,996	6,751,400	1,899,524	58,920	12,223,070
	2010	929,924	0	479,992	1,392,000	5,653,500	1,626,814	52,161	10,134,391
Darren R. Wells Executive Vice President and Chief Financial Officer	2012	555,000	0	185,136	529,646	2,674,733	846,993	33,325	4,824,833
	2011	526,667	0	966,856	486,499	2,329,186	429,659	35,355	4,774,222
	2010	490,000	0	404,801	450,002	2,340,800	377,450	29,875	4,092,928
Arthur de Bok President, Europe, Middle East and Africa Tire(7)	2012	570,000	0	195,367	558,897	2,246,797	922,728	24,858	4,518,647
	2011	545,000	0	980,846	522,299	2,720,398	592,029	26,381	5,386,953
	2010	523,333	0	415,299	481,499	3,062,520	473,971	29,673	4,986,295
David L. Bialosky Senior Vice President, General Counsel and Secretary	2012	533,333	0	146,475	419,025	2,141,601	398,517	26,260	3,665,211
	2011	513,333	0	142,277	389,993	1,956,300	254,391	24,016	3,280,310
	2010	500,000	0	122,495	367,503	1,498,150	158,063	21,127	2,667,338
Gregory L. Smith Senior Vice President, Global Operations	2012	525,000	0	155,431	444,671	1,866,980	165,295	34,848	3,192,225

(1) Represents the aggregate grant date fair value as of the respective grant date for each award. The maximum amount to be awarded with respect to each of the named executive officers is shown in the Grants of Plan-Based Awards Table in the column Estimated

Future Payouts Under Equity Incentive Plan Awards Maximum. The assumptions made in valuing stock awards reported in this column are discussed in Note to the Consolidated Financial Statements No. 1, Accounting Policies under Stock-Based Compensation and Note to the Consolidated Financial Statements No. 17, Stock Compensation Plans included in Goodyear s Annual Report for the year ended December 31, 2012. For additional information regarding such grants, see Compensation Discussion and Analysis Elements of Compensation Long-Term Compensation Performance Shares and 2012 Performance Share Grants. See also Grants of Plan-Based Awards below.

(2) Represents the aggregate grant date fair value as of the respective grant date for each award. The assumptions made in valuing option awards reported in this column are discussed in Note to the Consolidated Financial Statements No. 1, Accounting Policies under Stock-Based Compensation and Note to the Consolidated Financial Statements No. 17, Stock Compensation Plans included in Goodyear s Annual Report for the year ended December 31, 2012. For additional information regarding such grants, see Compensation Discussion and Analysis Elements of Compensation Long-Term Compensation Stock Options and 2012 Stock Option Grants. See also Grants of Plan-Based Awards below.

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(3) Represents amounts awarded under the annual Management Incentive Plan (MIP) and the long-term Executive Performance Plan (EPP). For additional information regarding amounts awarded under the MIP in 2012, see Compensation Discussion and Analysis Elements of Compensation Annual Compensation Annual Cash Incentives Under the Management Incentive Plan and 2012 Annual Incentive Payouts. Amounts awarded under the EPP are: for 2010, in respect of the three-year performance period ended December 31, 2010 for the 2008-2010 awards and the one-year performance period ended December 31, 2010 for the 2009-2011 awards and the 2010-2012 awards; for 2011, in respect of the one-year performance period ended December 31, 2011 for the 2009-2011 awards, the 2010-2012 awards and the 2011-2013 awards; and, for 2012, in respect of the one-year performance period ended December 31, 2012 for the 2010-2012 awards, the 2011-2013 awards and the 2012-2014 awards. The 2011-2013 awards and the 2012-2014 awards remain subject to the named executive officer s continued service and a three-year relative total shareholder return modifier. For additional information regarding EPP awards, see Compensation Discussion and Analysis Elements of Compensation Long-Term Compensation Cash-Based Awards Under the Executive Performance Plan, Performance for the 2012 Performance Period Under the Executive Performance Plan and With Respect to Performance Shares Executive Performance Plan.

The following table provides further information on the amounts payable, or earned but not yet payable, under the MIP and the EPP for performance periods ending on December 31, 2012:

	MIP (Currently Payable)	2010-2012 EPP (Currently Payable)	2011-2013 EPP (Not Yet Payable)	2012-2014 EPP (Not Yet Payable)
Mr. Kramer	$ 2,331,000	$ 1,439,519	$ 1,799,348	$ 3,735,000
Mr. Wells	744,218	463,796	587,500	879,219
Mr. de Bok	200,000	496,273	622,750	927,774
Mr. Bialosky	599,400	409,511	409,511	723,179