GOODYEAR TIRE & RUBBER CO /OH/
Form PRE 14A
February 27, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Section 240.14a-12

The Goodyear Tire & Rubber Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o 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 transaction applies:

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

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(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o 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
2009 Annual Meeting of Shareholders
and
Proxy Statement

The Goodyear Tire & Rubber Company

1144 East Market Street
Akron, Ohio 44316-0001

DATE:	April 7, 2009
TIME:	9:00 a.m., Akron Time
PLACE:	Offices of the Company Goodyear Theater 1201 East Market Street Akron, Ohio

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 54 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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ROBERT J. KEEGAN
CHAIRMAN OF THE BOARD,
CHIEF EXECUTIVE OFFICER
AND PRESIDENT

March , 2009

Dear Shareholders:

You are cordially invited to attend Goodyear s 2009 Annual Meeting of Shareholders, which will be held at the Goodyear Theater, 1201 East Market Street, Akron, Ohio, at 9:00 a.m., Akron Time, on Tuesday, April 7, 2009. 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,

Robert J. Keegan
Chairman of the Board,
Chief Executive Officer
and President

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THE GOODYEAR TIRE & RUBBER COMPANY

NOTICE OF THE

**2009 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 7, 2009**

To the Shareholders:

The 2009 Annual Meeting of Shareholders of The Goodyear Tire & Rubber Company, an Ohio corporation, will be held at the Goodyear Theater (in Goodyear s Principal Office Complex), 1201 East Market Street, Akron, Ohio, on Tuesday, April 7, 2009 at 9:00 a.m., Akron Time, for the following purposes:

1. To elect the eleven members of the Board of Directors named in the Proxy Statement to serve one-year terms expiring at the 2010 Annual Meeting of Shareholders (Proxy Item 1);

2. To consider and vote upon amendments to Goodyear s Amended Articles of Incorporation and Code of Regulations to provide for the majority election of directors (Proxy Item 2);

3. To consider and vote upon an amendment to Goodyear s Code of Regulations to authorize the Board of Directors to amend the Regulations to the extent permitted by the Ohio General Corporation Law (Proxy Item 3);

4. To consider and vote upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Goodyear for 2009 (Proxy Item 4); and

5. 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 13, 2009 as the record date for determining shareholders entitled to notice of, and to vote at, the 2009 Annual Meeting. Only holders of record of Goodyear common stock at the close of business on February 13, 2009 will be entitled to vote at the 2009 Annual Meeting and adjournments, if any, thereof.

March , 2009

By order of the Board of Directors:

C. Thomas Harvie, 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 7, 2009 (the Annual Meeting), and at any adjournments thereof, for the purposes set forth in the accompanying notice.

Goodyear s executive offices are located at 1144 East Market Street, Akron, Ohio 44316-0001. Our telephone number is 330-796-2121.

Our Annual Report to Shareholders for the year ended December 31, 2008 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 , 2009.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on April 7, 2009:

The Proxy Statement, Proxy Card and Annual Report to Shareholders for the year ended December 31, 2008 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 13, 2009 (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 241,351,132 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 the election of directors, the eleven candidates receiving the most votes will be elected, subject to Goodyear s Majority Election of Directors Policy. For a description of that policy, see Majority Election of Directors Policy below. Amendments to our Amended Articles of Incorporation (Proxy Item 2) require the affirmative vote of at least two-thirds, and amendments to our Code of Regulations (Proxy Items 2 and 3) require the affirmative vote of at least a

majority, of the shares of Common Stock outstanding on the record date. The amendment to the Code of Regulations contemplated by Proxy Item 2 will not be adopted if the related amendment to the Amended Articles of Incorporation fails to receive the requisite two-thirds affirmative vote. The affirmative vote of at least a majority of the shares of Common Stock outstanding on the record date is required for any other management or shareholder proposal to be adopted 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 and have no effect on the election of directors.

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 eleven times the number of shares of Common Stock you are entitled to vote, or (b) distribute your votes among the eleven candidates as desired.

Majority Election of Directors Policy.

In accordance with Goodyear s Corporate Governance Guidelines, if a director nominee receives, in any uncontested election of directors for which cumulative voting is not in effect, a greater number of votes withheld from his or her election than votes for such election, 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.

Voting of Proxy.

Messrs. Darren R. Wells, C. Thomas Harvie and Bertram Bell, have been designated as proxies to vote (or withhold from voting) 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 eleven nominees identified at pages 6 through 9, unless your instructions are to withhold your vote from 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 the proposals of the Board of Directors to amend Goodyear s Amended Articles of Incorporation and Code of Regulations to provide for the majority election of directors (Proxy Item 2), to amend Goodyear s Code of Regulations to authorize the Board of Directors to amend the Regulations (Proxy Item 3), and to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Goodyear for 2009 (Proxy Item 4), unless your instructions are otherwise.

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 New York Stock Exchange rules, brokers have the discretion to vote on routine matters, such as the election of directors (Proxy Item 1) and the ratification of the selection of an accounting firm (Proxy Item 4), as well as other matters deemed by the New York Stock Exchange to be routine, such as the approval of amendments to Goodyear s Amended Articles of Incorporation and Code of Regulations to provide for the majority election of directors (Proxy Item 2) and the approval of an amendment to Goodyear s Code of Regulations to authorize the Board of Directors to amend the Regulations (Proxy Item 3). If you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority (resulting in a broker non-vote). Broker non-votes will have no effect on the election of directors, but will have the same effect as a vote against the other proposals.

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.

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

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 current directors (and nine of the nominees) are independent within the meaning of Goodyear s independence standards, which are based on the criteria established by the New York Stock Exchange and are included as Annex I to Goodyear s Corporate Governance Guidelines. Mr. Keegan, the Chairman of the Board and Chief Executive Officer, is not considered independent. In addition, in light of his ongoing 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 did not implicate the independence of Mr. Firestone.

Board Structure and Committee Composition

As of the date of this Proxy Statement, Goodyear s Board has 12 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 2008, the Board held nine 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/investorcontactbrd.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, 1144 East Market Street, 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.

Name of Director	Audit	Compensation	Corporate Responsibility and Compliance	Finance	Governance
Non-Management Directors					
James C. Boland*	X**				
James A. Firestone*	X			X	
W. Alan McCollough*	X				X**
Steven A. Minter*			X		X

Denise M. Morrison*		X	X**		
Rodney O Neal*		X		X	
Shirley D. Peterson*	X				X
Stephanie A. Streeter*(1)				X	X
G. Craig Sullivan*		X**		X	
Thomas H. Weidemeyer*		X		X**	
Michael R. Wessel			X		
Management Director					
Robert J. Keegan(2)					
Number of Meetings in Fiscal 2008	6	7	3	3	5

X = Committee member; * = Independent; ** = Chair

(1) Ms. Streeter has been a director since October 7, 2008.

(2) Mr. Keegan does not serve on any Board committees, although he participates in many committee meetings as Chairman of the Board.

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Audit Committee

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 Board has determined that each member of the Audit Committee is independent within the meaning of Goodyear s independence standards and applicable Securities and Exchange Commission rules and regulations, and each of Messrs. Boland and McCollough is an audit committee financial expert. The report of the Audit Committee is on page 53 of this Proxy Statement.

Compensation Committee

The Board of Directors has delegated to the Compensation Committee primary responsibility for establishing and administering Goodyear s compensation programs for executive officers and other key personnel. The Compensation Committee is composed entirely of independent directors. The Compensation Committee oversees Goodyear s compensation and benefit plans and policies, administers its stock plans (including reviewing and recommending equity grants to executive officers and other key personnel), and reviews and approves annually all compensation decisions relating to executive officers, including the 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 29 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 executive 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 elected officers. 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 compensation consultants, to assist it in evaluating actual and proposed compensation for executive officers. The Compensation Committee also has the authority to approve any such consultant s fees and the other terms of such retention. From time to time, the Compensation Committee solicits advice from outside compensation consultants on executive compensation matters relating to the CEO and other executive officers. This advice has consisted primarily of assistance with benchmarking compensation for senior executives and directors, and advice on current and evolving market practices for specific components of compensation, such as incentive awards, severance and change in control protection policies, non-qualified benefit plans and perquisites.

Committee on Corporate Responsibility and Compliance

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 may also recommend appropriate new policies to the Board of Directors.

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Finance Committee

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 Governance Committee identifies, evaluates and recommends to the Board of Directors candidates for election to the Board of Directors. 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. The Board has determined that each member of the Governance Committee is independent.

Consideration of Director Nominees

The policy of the Governance Committee is to consider properly submitted shareholder nominations for 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 as well as any needs for particular expertise on the Board.

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 Secretary, The Goodyear Tire & Rubber Company, 1144 East Market Street, Akron, Ohio 44316-0001.

Director Selection Guidelines

The Board of Directors has approved Director Selection Guidelines that apply to prospective Board members. Under these criteria, members of the Board should have a reputation for high moral character, integrity and sound judgment, substantial business expertise, financial literacy, achievement in his or her chosen field, adequate time to devote to Goodyear, and the ability to effectively serve several years prior to retirement at age 70. A person s particular expertise and ability to satisfy Goodyear s independence standards and those of the New York Stock Exchange may also be evaluated. Each Director must have the ability to fully represent Goodyear s diverse constituencies.

Identifying and Evaluating Nominees for Director

The Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and shareholders. The Committee also retains 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. Ms. Streeter was identified initially as a candidate for membership to the Board by Mr. Keegan.

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 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.

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The Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluations of other prospective nominees. 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.

Executive Sessions

Non-management directors meet regularly in executive sessions without management. An executive session is generally held in conjunction with each regularly scheduled Board meeting. Executive sessions are led by a Lead Director, who is elected by the Board. Mr. Boland currently serves as the Lead Director.

ELECTION OF DIRECTORS
(Item 1 on your Proxy)

The Board of Directors has selected the following eleven nominees recommended by the Governance Committee for election to the Board of Directors. Although the number of directors is currently set at twelve, on December 9, 2008, the Board determined that as of the date of the Annual Meeting the number of directors would be eleven. 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.

JAMES C. BOLAND

Retired. Formerly Vice Chairman of Cavaliers Operating Company, LLC

Mr. Boland was the President and Chief Executive Officer of Cavs/Gund Arena Company (the Cleveland Cavaliers professional basketball team and Gund Arena) from 1998 to December 31, 2002. He was Vice Chairman of that organization from January 1, 2003 to June 30, 2007, which, following a change in ownership, was renamed the Cavaliers Operating Company, LLC. Prior to his retirement from Ernst & Young in 1998, Mr. Boland served for 22 years as a partner of Ernst & Young in various roles including Vice Chairman and Regional Managing Partner, as well as a member of the firm s Management Committee. Mr. Boland is also a director of Invacare Corporation and The Sherwin-Williams Company.

Age: 69

Director since: December 18, 2002

JAMES A. FIRESTONE

Executive Vice President and President, Corporate Operations of Xerox Corporation

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 is also a director of The Japan Fund, Inc.

Age: 54

Director since: December 3, 2007

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ROBERT J. KEEGAN

Chairman of the Board, Chief Executive Officer and President of Goodyear

Mr. Keegan joined Goodyear on October 1, 2000, and he was elected President and Chief Operating Officer and a Director of Goodyear on October 3, 2000 and President and Chief Executive Officer effective January 1, 2003. Mr. Keegan became Chairman of the Board effective July 1, 2003. Prior to joining Goodyear, Mr. Keegan was an Executive Vice President of Eastman Kodak Company. He held various marketing, financial and managerial posts at Eastman Kodak Company from 1972 through September 2000, except for a two year period beginning in 1995 when he was an Executive Vice President of Avery Dennison Corporation.

Age: 61

Director since: October 3, 2000

W. ALAN McCOLLOUGH

Retired. Formerly Chairman and Chief Executive Officer of Circuit City Stores Inc.

Mr. McCollough was elected Chairman, President and Chief Executive Officer of Circuit City Stores Inc., a consumer electronic retailer, in 2002 and served in that capacity until 2005. He remained Chairman and Chief Executive Officer until his retirement in 2006. He served as President and Chief Executive Officer from 2000 to 2002 and as President and Chief Operating Officer from 1997 to 2000. Mr. McCollough joined Circuit City 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. Mr. McCollough is also a director of VF Corporation and La-Z-Boy Inc.

Age: 59

Director since: April 10, 2007

DENISE M. MORRISON

Senior Vice President and President North America Soup, Sauces and Beverages, Campbell Soup Company

Ms. Morrison has served as Senior Vice President and President North America Soup, Sauces and Beverages of Campbell Soup Company since October 2007. From June 2005 to October 2007 she was President of the Campbell USA Soup, Sauce and Beverage division and from April 2003 to June 2005 was President of Global Sales and Chief Customer Officer. She has been a Senior Vice President of Campbell Soup since April 2003. Prior to joining Campbell Soup, Ms. Morrison served in various managerial positions at Kraft Foods, including as Executive Vice President/General Manager of the Snacks Division from October 2001 to March 2003 and the Confections Division from January 2001 to September 2001. Ms. Morrison also served in various managerial positions at Nabisco Inc. from 1995 to 2000 and at Nestle USA from 1984 to 1995.

Age: 55

Director since: February 23, 2005

RODNEY O NEAL

Chief Executive Officer and President, Delphi Corporation

Mr. O Neal has served in various managerial positions at Delphi Corporation since 2000 and has served as the Chief Executive Officer and President since January 1, 2007. He was President and Chief Operating Officer of Delphi Corporation from January 1, 2005 to December 31, 2006. Mr. O Neal also served in various managerial and engineering positions at General Motors Corporation from 1976 to 1999, including Vice President of General Motors and President of Delphi Interior Systems prior to Delphi s separation from General Motors. Mr. O Neal is also a director of the Delphi Corporation and Sprint Nextel Corporation.

Age: 55

Director since: February 3, 2004

SHIRLEY D. PETERSON

Retired. Formerly partner in the law firm of Steptoe & Johnson LLP

Mrs. Peterson was President of Hood College from 1995 to 2000. From 1989 to 1993 she served in the U.S. Government, first appointed by the President 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 is also a director of AK Steel Corporation, Champion Enterprises, Inc. and Wolverine Worldwide Inc.

Age: 67

Director since: April 13, 2004

STEPHANIE A. STREETER

Formerly Chairman, President and Chief Executive Officer of Banta Corporation

Ms. Streeter joined Banta Corporation, a provider of printing and supply chain management services, as President and Chief Operating Officer in January 2001, 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 is also a director of Kohl s Corporation.

Age: 51

Director since: October 7, 2008

G. CRAIG SULLIVAN

Retired. Formerly Chairman and Chief Executive Officer, The Clorox Company

Mr. Sullivan served as Chairman and Chief Executive Officer of Clorox from 1992 to 2003. Prior to assuming that role in 1992, he served in various managerial positions at Clorox including group vice president responsible for both manufacturing and marketing of household products. Before joining Clorox, Mr. Sullivan held various sales management positions with The Procter & Gamble Company and American Express. Mr. Sullivan is also a director of Kimberly-Clark Corporation and Mattel, Inc.

Age: 68

Director since: April 11, 2006

THOMAS H. WEIDEMEYER

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

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

Age: 61

Director since: December 9, 2004

MICHAEL R. WESSEL

President of The Wessel Group Incorporated,

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, Mr. Wessel 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 almost 30 years experience as a policy and international trade advisor in Washington, D.C. In 1977, as a staff assistant to Congressman Richard Gephardt, he advised government officials on a wide range of domestic and international issues. He was named legislative director in 1984, policy director in 1989 and general counsel in 1991 for Congressman Gephardt. Mr. Wessel also served as a key economic and trade policy advisor for Mr. Gephardt s presidential campaigns in 1987-88 and 2003-04, as well as John Kerry s campaign in 2004. He was a senior policy advisor for the Clinton/Gore Transition Office in 1992 and 1993.

Age: 49

Director since: December 6, 2005

Mr. Steven A. Minter was not nominated for re-election to the Board of Directors due to the retirement age provisions of Goodyear s Corporate Governance Guidelines. Mr. Minter will be retiring from the Board at the Annual Meeting after 24 years of distinguished service. Goodyear and the Board of Directors are deeply grateful for his leadership and guidance during his tenure on the Board.

PROPOSAL TO AMEND GOODYEAR S AMENDED ARTICLES OF INCORPORATION AND CODE OF REGULATIONS TO PROVIDE FOR THE MAJORITY ELECTION OF DIRECTORS (Item 2 on your Proxy)

Our Board of Directors recommends that the shareholders approve an amendment to the Amended Articles of Incorporation requiring a majority vote for the election of directors in uncontested elections for which cumulative voting is not in effect. The Board also recommends that the shareholders approve an amendment to the Code of Regulations to delete a provision mandating that, in all elections of directors, the candidate receiving the greatest number of votes, a plurality vote, shall be elected. The Amended Articles currently do not specify the voting standard for the election of directors. Consequently, the Regulations provision, consistent with the default provisions of Ohio law, currently governs the Company s director voting standard. Shareholder approval is required for the adoption of the proposed amendments to the Amended Articles and the Regulations.

In February 2008, our Board of Directors adopted a policy to assure that, in an uncontested election for which cumulative voting is not in effect, a director who fails to receive a greater number of votes for his or her election than votes withheld from such election would promptly offer his or her resignation to the Board. The Board would then decide, through a process managed by the Governance Committee, whether to accept the resignation. Our Majority Election of Directors Policy is included in our Corporate Governance Guidelines, which are available on the Company s website at www.goodyear.com/investor/investorgovernance.html, and is described on page 1 of this Proxy Statement.

Historically, Ohio law provided that each director nominee who receives the highest number of affirmative votes cast is elected, regardless of whether such votes constitute a majority of all votes cast (including votes withheld). This system, referred to as plurality voting, has always been utilized by the Company for director elections. Ohio law was amended, effective January 1, 2008, to provide that the articles of incorporation may set forth alternative election standards, and, if no alternative is specified in the articles, plurality voting would continue to apply.

For the past few years, the Board has monitored developments in corporate governance closely as the practices surrounding the majority vote standard have evolved. Over that time, the legal and other potential consequences of adopting a majority vote standard have become clearer. A number of public companies have adopted some form of a majority vote standard, and there is now more experience and knowledge as to how it can be implemented. The Board has continued to evaluate the merits, risks and uncertainties relating to a majority vote standard and, after careful consideration, believes it is now in the best interests of the Company and its shareholders to strengthen the

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approach initially adopted by the Company by amending the Amended Articles of Incorporation and the Code of Regulations to provide for a majority vote standard.

This would ensure that each vote is specifically counted for or against a director s election, and would further enhance the accountability of each director to the Company s shareholders. No director would be elected unless he or she received more votes cast for than against his or her election.

The proposed amendments to the Amended Articles and the Regulations would provide for a majority vote standard in our Amended Articles that could not be further amended without shareholder approval and would delete the requirement for plurality voting from the Regulations. If the proposed amendments are adopted, an affirmative majority of the total number of votes cast with respect to the election of a director nominee will be required for election in an uncontested election for which cumulative voting is not in effect. Abstentions and broker non-votes will have no effect in determining whether the required affirmative majority vote has been obtained. For contested elections or elections for which cumulative voting is in effect, plurality voting would apply.

If this proposal is approved by the shareholders, the following new article will be added to the Amended Articles:

SEVENTH: In order for a nominee to be elected a director of the corporation in an uncontested election for which cumulative voting is not in effect, the nominee must receive a greater number of votes cast for his or her election than against his or her election. In a contested election or if cumulative voting is in effect, the nominees receiving the greatest number of votes shall be elected, up to the number of directors to be elected. An election shall be considered contested if there are more nominees for election than director positions to be filled in that election.

And the following provision of the Regulations (Article II, Section 2) will be amended as follows:

At a meeting of shareholders at which directors are to be elected, only persons nominated as candidates shall be eligible for election as directors~~ and the candidates receiving the greatest number of votes shall be elected~~.

If this proposal is approved by the shareholders, our current Majority Election of Directors Policy would remain in effect only to the extent needed to address holdover terms for any incumbent directors who fail to be re-elected under the new majority vote standard. 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.

Adoption of the amendment to the Amended Articles of Incorporation requires the affirmative vote of at least two-thirds, and adoption of the amendment to the Code of Regulations requires the affirmative vote of at least a majority, of the shares of Common Stock outstanding on the record date. The amendment to the Code of Regulations contemplated by this Proxy Item 2 will not be adopted if the related amendment to the Amended Articles of Incorporation fails to receive the requisite two-thirds affirmative vote.

Your Board of Directors unanimously recommends that shareholders vote FOR approval of the amendments to Goodyear s Amended Articles of Incorporation and Code of Regulations to provide for the majority election of directors (Proxy Item 2).

PROPOSAL TO AMEND GOODYEAR S CODE OF REGULATIONS TO AUTHORIZE THE BOARD OF DIRECTORS TO AMEND THE REGULATIONS TO THE EXTENT PERMITTED BY THE OHIO GENERAL CORPORATION LAW
(Item 3 on your Proxy)

Our Board of Directors recommends that the Code of Regulations be amended by adding a provision authorizing the Board to make future amendments to the Regulations to the extent permitted by the Ohio General Corporation Law. For Ohio corporations, regulations are the equivalent of by-laws.

Our Regulations were first adopted in 1955 and contain many awkward and out-of-date provisions. The Board of Directors is not currently permitted to amend the Regulations. Previously, Ohio law did not permit the Board to amend the Regulations.

The Ohio General Corporation Law was amended in October 2006 to allow the Board of Directors to amend the Regulations without shareholder approval, within certain statutory limitations, thus bringing Ohio law into line with the law of most other states. However, the amended Ohio statute requires us to first seek shareholder approval in order for the Board to make future amendments to the Regulations. Other Ohio corporations have made this change to allow their regulations to be updated.

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Under the 2006 amendments to the Ohio General Corporation Law, the Board is not permitted to amend the Regulations in various areas that impact fundamental shareholder rights. Specifically, the Board may not amend the Regulations to do any of the following: (1) change the authority of the shareholders themselves; (2) establish or change the percentage of shares that must be held by shareholders in order to call a shareholders meeting or change the time period required for notice of a shareholders meeting; (3) establish or change the quorum requirements at shareholder meetings; (4) prohibit the shareholders or directors from taking action by written consent without a meeting; (5) change directors terms of office or provide for the classification of directors; (6) change the quorum or voting requirements at directors meetings; or (7) remove the requirement that a control share acquisition of an issuing public corporation must be approved by the shareholders of the corporation to be acquired. In addition, the Board may not delegate the authority to amend the Regulations to a Board Committee. This proposal does not seek to change in any way these limitations placed on the Board under the Ohio General Corporation Law with respect to amendments to the Regulations, and would only allow the Board to amend the Regulations to the extent permitted by the Ohio General Corporation Law.

Under Ohio law, the shareholders can always override amendments made by the Board, and the Regulations may never divest the shareholders of the power to adopt, amend or repeal the Regulations.

The Board of Directors recommends that Article X of the Regulations be amended to add the following underlined language:

The Regulations of the Company may be amended or new Regulations may be adopted by the shareholders, at a meeting held for such purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Company on such proposal or, without a meeting, by the written consent of the holders of shares entitling them to exercise two-thirds of the voting power on such proposal. The Regulations of the Company may also be amended by the directors to the extent permitted by the Ohio General Corporation Law.

Adoption of the amendment to the Regulations requires the affirmative vote of a majority of our outstanding Common Stock.

Your Board of Directors unanimously recommends that shareholders vote FOR approval of an amendment to Goodyear s Code of Regulations to authorize the Board of Directors to amend the Regulations (Proxy Item 3).

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Item 4 on your Proxy)

The Audit Committee of the Board has appointed PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm to audit Goodyear s consolidated financial statements as of and for the fiscal year ending December 31, 2009 and its internal control over financial reporting as of December 31, 2009. During fiscal year 2008, PwC served as Goodyear s independent registered public accounting firm and also provided audit related, tax and other services. See Principal Accountant Fees and Services on page 52.

The following resolution will be presented by the Board of Directors at the Annual Meeting:

RESOLVED, that the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for the year ending December 31, 2009 is hereby ratified.

In the event the appointment of PwC is not ratified by the shareholders, the adverse vote will be deemed to be an indication to the Audit Committee that it should consider selecting another independent registered public accounting firm for 2010.

OTHER BUSINESS

Your Board of Directors does not intend to bring any other business before the Annual Meeting and is not aware of any other business intended to be presented by any other person.

After the conclusion of the matters described above, shareholders will have an opportunity to ask appropriate questions regarding Goodyear and its operations.

If any other matters properly come before the Annual Meeting, your proxy will be voted by Messrs. Wells, Harvie or Bell in such manner as they, in their discretion, deem appropriate.

BENEFICIAL OWNERSHIP OF COMMON STOCK

The persons identified in the table below have reported that they beneficially owned at December 31, 2008 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
FMR LLC Fidelity Management & Research Company Edward C. Johnson 3d 82 Devonshire Street Boston, Massachusetts 02109	26,197,016(1)	10.9%
Eton Park Fund, L.P. Eton Park Master Fund, Ltd. Eton Park Associates, L.P. Eton Park Capital Management, L.P. Eric M. Mindich 399 Park Avenue, 10th Floor New York, New York 10022	19,000,000(2)	7.9%

(1) Sole voting power in respect of 1,918,603 shares and sole dispositive power in respect of 26,197,016 shares, as stated in a Schedule 13G/A filed with the Securities and Exchange Commission on February 17, 2009.

(2) Shared voting and dispositive power in respect of 19,000,000 shares, as stated in a Schedule 13G/A filed with the Securities and Exchange Commission on February 13, 2009.

In addition, The Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60675, has indicated that at the record date it held 10,996,827 shares, or approximately 4.6% 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 13, 2009, each director and nominee, each person named in the Summary Compensation Table on page 30, 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 13, 2009(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
James C. Boland	3,000	-0-	-0-	35,383(9)	*
James A. Firestone	-0-	-0-	-0-	7,468(9)	*
W. Alan McCollough	-0-	-0-	-0-	10,278(9)	*
Steven A. Minter	4,580	-0-	-0-	49,496(9)	*
Denise M. Morrison	-0-	-0-	-0-	19,913(9)	*
Rodney O Neal	-0-	-0-	-0-	25,927(9)	*
Shirley D. Peterson	1,000	-0-	-0-	24,025(9)	*
Stephanie A. Streeter	-0-	-0-	-0-	3,410(9)	*
G. Craig Sullivan	5,000	-0-	-0-	16,233(9)	*
Thomas H. Weidemeyer	1,000	-0-	-0-	21,227(9)	*
Michael R. Wessel	-0-	-0-	-0-	16,173(9)	*
Robert J. Keegan	329,124(5)	469	988,630	-0-	*
Darren R. Wells	10,408	166	70,846	-0-	*
Richard J. Kramer	162,965(6)	226	179,121	454(10)	*
C. Thomas Harvie	65,226	1,163	158,369	-0-	*
Arthur de Bok	62,835(7)	-0-	113,430	-0-	*
W. Mark Schmitz	-0-	-0-	-0-	10,723(10)	*
All directors, the named executive officers and all other executive officers as a group (30 persons)	921,138(8)	6,359	1,980,928	255,769	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 (the Savings Plan).

(4) Shares which may be acquired upon the exercise of options which are exercisable on or prior to April 14, 2009.

(5) Includes 13,000 shares owned by his spouse.

(6) Includes 103,492 shares acquired under Restricted Stock Purchase Agreements, which shares are subject to the Company s repurchase option and certain restrictions on transfer.

(7) Includes 59,835 shares acquired under a Restricted Stock Purchase Agreement, which shares are subject to the Company s repurchase option and certain restrictions on transfer.

(8) Includes 908,138 shares owned of record and beneficially or owned beneficially through a nominee, and 13,000 shares held by or jointly with family members of certain directors and executive officers.

(9) 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 50.

(10) 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.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Compensation Philosophy

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 stockholders, and
- attract and retain qualified and experienced executive officers and other key personnel.

To help us achieve these objectives, we strive to offer our executive officers compensation and benefits that are tied to our performance, including equity-based compensation, and that are attractive and competitive for talent in the marketplace. The key components of compensation provided to our executive officers are:

- annual salaries,
- annual cash incentives based on performance measured against specific corporate and/or operating unit goals and individual performance,
- long-term compensation in the form of:
  - stock options tied to the growth in our stock price from the date of grant,
  - performance shares, the payout of which is tied to the achievement of specific financial objectives during a three-year performance period and the growth in our stock price, and
  - cash awards under a long-term incentive plan, the payout of which is tied to achieving the same financial objectives used to determine performance share awards, and
- retirement benefits and perquisites.

The following table provides an overview of the relationship between the objectives and components of our compensation program. A more detailed discussion of each component is provided later in this Compensation Discussion and Analysis.

Component	Description	Participants	Objectives Achieved
	Annual Compensation		
Base Salary		All employees	

Annual cash compensation	Provide a minimum level of fixed compensation necessary to attract and retain employees Recognize skills, competencies, experience and individual contribution

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Component	Description	Participants	Objectives Achieved
Performance Recognition Plan Annual Cash Incentive	Annual cash incentive based on corporate and/or operating unit performance. Payments can be higher or lower than target based on individual performance.	Key employees (including all named executive officers)	Drive and differentiate for short-term performance: Across total company and operating units as measured primarily by the achievement of annual operating goals Of the individual as measured by achievement of specific strategic goals and demonstrated leadership
	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)	Drive stock price performance Focus on long-term success Facilitate retention Align the interests of management with those of shareholders
Performance Share Grants	Long-term cash and equity incentive program with award payouts tied to achievement of three-year corporate goals and stock performance; paid 50% in cash and 50% in shares of Common Stock.	Key employees (including all named executive officers)	Drive operational performance and shareholder value creation Focus on long-term success 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 three-year corporate goals; paid in cash.	Senior executives (including all named executive officers)	Drive operational performance Focus on long-term success Facilitate retention Align the interests of management with those of shareholders
		Retirement Programs	
Supplementary Pension Plan and Excess Benefit Plan	Additional pension benefits	Senior executives (including named executive officers)	Facilitate retention Support succession planning objectives by ensuring sufficiency of retirement replacement income
Qualified Retirement Plans	Post-retirement benefits	All U.S. employees	Necessary to attract and retain employees

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

We are guided by the following core principles in establishing compensation for our executives, including the Chairman, Chief Executive Officer and President (CEO) and the other executive officers named in the Summary Compensation Table (together with the CEO, 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 for above average performance balanced by the risk of below average compensation when our performance does not meet our goals.

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 stockholders.

We generally target base salaries for our named executive officers below median market rates, as required by our master labor agreement (the USW Agreement) with the USW, and we target performance-based and equity compensation at rates that are either at the median market rate or somewhat above such rate. This approach 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, thereby ensuring that overall costs are aligned with performance and that executives receive a leveraged and attractive compensation opportunity that varies based on results. This approach provides an opportunity for compensation in excess of market median rates through superior performance. Conversely, executives may earn less than market median rates for performance that does not meet our goals and/or due to declines in our stock price.

Consistent with general market practice, 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 approximately 80% of primary compensation is a mix of annual cash incentive, stock options, performance shares (currently paid half in cash and half in stock), and long-term cash-based incentive awards. The design and mix of variable compensation has been evolving over the past several years. The market value of our Common Stock, which has declined and experienced significant volatility during 2008, and the availability of shares under our equity compensation plans will impact our ability to use stock-based compensation to deliver a specified level of targeted compensation opportunity.

Compensation Decision-Making

Our Board of Directors has delegated to the Compensation Committee of the Board primary responsibility for establishing and administering our compensation programs for executive officers and other key personnel. The Compensation Committee oversees our compensation and benefit plans and policies, administers our stock plans (including reviewing and recommending equity grants to executive officers), and reviews and approves annually all compensation decisions relating to executive officers, including those for the CEO and the other named executive officers.

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In performing its duties, the Compensation Committee meets periodically with the CEO to review compensation policies and specific levels of compensation paid to executive 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 long-term compensation targets and awards for executive officers, including the other named executive officers. In determining the compensation of a named executive officer, the Compensation Committee considers 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, 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. The Compensation Committee informs the other non-management directors of its decisions regarding compensation for the CEO and the other named executive officers.

At least annually, the Compensation Committee reviews our executive compensation practices to determine whether they meet, and are consistent with, the key objectives of our compensation program. From time to time, members of our Executive Compensation group in our Corporate Human Resources Department make presentations to the Compensation Committee and the Board on compensation matters, including compensation philosophy, elements and mix of compensation, and our various compensation programs.

The Compensation Committee generally adheres to the guidelines and philosophy described above under Compensation Philosophy. 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 stockholders, and attract and retain talented executives.

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 executive officers. During 2008, 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 2008 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 the primary compensation opportunities for the named executive officers as well as our operational and stock price performance relative to the resulting peer group. Frederick W. Cook & Co. also conducted a comprehensive review of the design of our primary compensation programs, including our variable incentive plans and other compensation plans, and provided recommendations for changes where appropriate. Frederic W. Cook & Co. also reviewed our non-qualified deferred compensation plans in connection with amendments made to those plans in order to comply with Section 409A of the Internal Revenue Code, our CEO s employment agreement in connection with its renewal and our non-employee director compensation program. Frederic W. Cook & Co. works with Goodyear only under the direction of the Compensation Committee and did not provide any other advice or consulting services to us in 2008.

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 16 peer companies with annual revenues ranging from $14.4 billion to $58.6 billion and median revenues of $22.4 billion; and

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

For 2008 compensation decisions, the peer group noted above consisted of: 3M, Caterpillar, Deere & Co., DuPont, Eaton, Emerson Electric, Honeywell, Illinois Tool Works, Johnson Controls, Lear, Paccar, PPG Industries, Textron, TRW Automotive, United Technologies and Whirlpool. This peer group was used because its membership reflects alignment with the nature of our business, workforce and global complexity. The peer group 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. 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 containing executive compensation data.

Elements of Compensation

Annual Compensation

Base Salaries

We provide base salaries to recognize the skills, competencies, experience and individual performance each named executive officer brings to his position. We target base salaries 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 using regression analysis 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 resource consulting firms indicating past, present and projected salary structures and annual increases 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 certain subjective factors, including 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, and general economic and competitive conditions.

2008 Base Salary Decisions

Using the methodologies described above for setting salary guidelines, in December 2007 we compared total compensation levels for our named executive officers and 16 additional executives against survey data provided by Frederic W. Cook & Co. We concluded that the base salaries of our named executive officers who are direct reports to the CEO were, in the aggregate, below the market median, in accordance with the USW Agreement.

In 2008, the overall increase in base salaries for all executive officers, excluding the CEO and executive officers who received significant promotions, was 3.3%. Base salary increases were determined in February 2008. Mr. Keegan, Mr. Kramer, Mr. Harvie and Mr. de Bok received increases of 3.4%, 3.6%, 6.3% and 13.6%, respectively. Mr. Wells was elected as our Chief Financial Officer effective October 17, 2008 at an annual base salary of $450,000. Mr. de Bok received a greater increase in his base salary due to his increased responsibilities following his appointment as President of our new Europe, Middle East and Africa business unit, which was formed in the first quarter of 2008 by combining our former European Union and Eastern Europe, Middle East and Africa business units. Mr. Schmitz received a base salary of $407,549 for the portion of the year he was our Chief Financial Officer. Salaries of the current named executive officers in 2008 were an average of 5% lower than the median indicated by the salary guidelines described above. Since no annual incentives were paid with respect to 2008, salaries in 2008 represented all of the total annual cash compensation paid to the named executive officers. Due to the current economic environment, we do not anticipate providing any base salary increases to our named executive officers in 2009.

Annual Cash Incentives Performance Recognition Plan

The Performance Recognition Plan provides annual cash-based incentives for approximately 730 participants, including all named executive officers. Awards under the Performance Recognition Plan 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. Awards generally have the following characteristics:

an individual s target incentive level for the award is set annually at rates slightly above market median levels so that when combined with the below median base salaries required by the USW Agreement, we provide an overall annual compensation opportunity aligned with market median levels;

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the level of funding of the annual incentive pool is based on the level of achievement of two financial performance criteria (linked to overall company and/or operating unit results), adjusted for extraordinary items and other relevant factors as recommended by the CEO and approved by the Compensation Committee, each of which is described in more detail below;

the amount of individual payouts for executives can range from 0% to 200% of the executive s target incentive, based on the executive s performance during the year against individual objectives; and

the total payout for all participants may not exceed the incentive pool.

Each financial performance criterion has a target level as well as a minimum and maximum level, which are determined based on the perceived difficulty of the established targets and actual results for those financial measures in prior years. For corporate officers, funding of the incentive pool available for payouts is based on overall company results with respect to the two financial performance criteria. Funding of the incentive pool for officers of our four operating units is based 60% on that operating unit s results and 40% on overall company results. In this manner, we believe our executives are held most accountable for financial results in the areas where they have the most control and influence, but are also motivated to work cooperatively with other operating units to maximize results for the entire Company.

In determining the funding of the incentive pool available for payouts, the Compensation Committee first compares actual results with the target performance level for the two financial performance criteria. This comparison is done for the Company overall, and for each operating unit. These results are referred to as the actual results. Then, the Committee considers and takes into account the following three factors to determine whether the actual results should be adjusted:

non-recurring restructuring charges are considered for exclusion, consistent with past practice, because the Compensation Committee believes senior managers should be encouraged to make decisions with long-term benefits to the Company without being concerned about the impact on their incentive compensation;

the effects of significant one-time, unanticipated, non-operating or extraordinary events are considered for exclusion, consistent with past practice, because the effect of such events would generally not have been reflected in the performance targets; and

qualitative factors that might call for adjustment of the actual results are considered upon the recommendation of the CEO based on his overall assessment of our business and performance.

After the size of the incentive pool has been determined as described above, the payout for each named executive officer is determined. In this process, the officer s target incentive amount is first multiplied by the same percentage used to determine the aggregate incentive pool applicable to such officer. (For example, if the incentive pool applicable to such officer 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. Participants can earn between 0% and 200% of their target incentive, but the total payout for all participants may not exceed the aggregate incentive pool.

To illustrate how the Performance Recognition Plan works, assume an award with a target level of $50,000. If the company-wide and operating unit performance criteria are attained in an amount equal to 150% of their target amounts, the amount contributed to the overall incentive pool in respect of this award is $75,000 (*i.e.*, 150% of $50,000). However, the individual having this award would be