GOODYEAR TIRE & RUBBER CO /OH/
Form DEFA14A
March 24, 2015

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:

¨ Preliminary Proxy Statement

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

¨ Definitive Proxy Statement

x 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:

Commencing on March 24, 2015, The Goodyear Tire & Rubber Company provided the following information to certain shareholders:

2015 Update on Supermajority Voting Provisions and
Corporate Governance Overview

Current Supermajority Voting Provisions in
Goodyear s Governing Documents
2
Articles of Incorporation (Charter):
No
express provisions require the vote of more than a majority of our common stock
Standard provisions that protect the economic interests of preferred stockholders require a two-thirds vote of our preferred stock
No
preferred
stock
is
currently
issued
and

outstanding
Code of Regulations (Bylaws):
To
remove
all
of
the
directors
requires
the
approval
of
two-thirds
of
our
common
stock
To
remove
less
than
all
of
the
directors
requires
the
approval
of
approximately
93%
of
our
common
stock,
due
to
a
mandatory
provision
of
Ohio
law
that
is
intended
to
protect
cumulative
voting

rights
Unless
cumulative
voting
is
eliminated,
the
ability
of
shareholders
to
remove
a
director
is
illusory
To
amend
these
provisions
requires
the
approval
of
two-thirds
of
our
common
stock

Company Proposals on the 2015 Ballot
3
Proposal 4:
Reduces
the
vote
required
to
remove
a
director
to
a

majority of our common stock and, to make that change meaningful, eliminates cumulative voting. Also reduces the threshold to make further amendments to these provisions to a majority of our common stock. Substantially implements the shareholder proposal described on Slide 4 Reduces the vote required to the lowest permitted under

Ohio law

Proposal 5: Reduces the shareholder vote required for mergers, consolidations and sales of substantially all of the Company s assets from the statutory two-thirds to a majority of our common stock

Betters the shareholder proposal and further improves our corporate governance profile

Reduces the vote required to the lowest permitted

under
Ohio
law
The
Board
of
Directors
asks
you
to
vote
FOR
Proposals
4
and
5

The Shareholder Proposal on the 2015 Ballot is
Implemented by the Company s Proposals
4
A
shareholder
submitted
a
non-binding
proposal
requesting
that
the
Board
take
the

steps necessary so that each voting requirement in our charter [Articles] and bylaws [Regulations] that calls for a greater than simple majority vote be eliminated . . . We decided to present both proposals for a shareholder vote after the SEC suspended no-action relief for conflicting proposals The Board recommends a vote AGAINST this proposal because: Company Proposal 4 substantially implements the shareholder proposal Company Proposal 5 betters the shareholder proposal by also reducing the shareholder vote required by statute for business combinations to a majority of our common stock The Company Proposals are binding and implement these important governance changes now The Board of Directors asks you to vote FOR Proposals 4 and 5 and AGAINST the Shareholder Proposal (Proposal 6)

5
Annually elected directors; no classified board
Majority voting for the election of directors with a resignation policy
Lead independent director with clear, robust responsibilities
100% independent compensation, audit and nominating committees
Regular executive sessions of the independent directors
Overboarding policy in place for directors
Conduct annual Board and Committee evaluations
No poison pill in place
Shareholders have the right to call a special meeting at 25%
Clear and robust corporate governance guidelines
1
2

3
4
5
6
7
8
9
10
Overall Commitment to Good Governance

6
Board of Directors
All directors are independent, except CEO and one labor union-affiliated director
Elected by a binding majority vote standard in annual elections of the full board
Lead Independent
Director
Lead independent director has clearly-defined, robust roles and responsibilities
Current lead independent director is actively engaged in matters
related to
compensation
Compensation
Committee

Our Compensation Committee consists of entirely independent directors
The Committee has undertaken significant analysis and enhancement of the program in response to investor concerns

Independent
Advisors

Our Compensation Committee has engaged and considers the advice of an independent compensation consultant

Ongoing Investor Input
and Dialogue

Lead independent director and senior management team have engaged with investors and have acted on their feedback regarding Goodyear s compensation program

Continuing to engage extensively with our investors, including, among others:

- Large institutional investors
- Pension funds
- Proxy advisory firms

Focused, Engaged, and Independent Oversight
of the Compensation Program

7
Incentive Program
Financial Metrics
Annual
Incentives
Annual Performance Plan
EBIT (40%)
Operating Drivers (20%)
-
Working Capital Excellence (Average working capital as a % of sales)
-
Total Delivered Cost Productivity (Cost savings)
-

New Product Vitality
Free Cash Flow from Operations (40%)
Long-Term
Awards
Performance-Based Awards
(Paid out in equity and cash)
Relative
TSR Modifier
(+/-20%)
Net Income
(50%)
Stock Options
Cash Flow Return on Capital (50%)
Pay and Performance are Closely Aligned

No dividends or dividend equivalents on unearned performance-based equity awards
No repricing of options without shareholder approval
No pension credit for newly hired executives to make up for service at prior employers
Double-trigger change-in-control provisions and no walk-away rights
No tax gross-ups
Robust stockholding guidelines, including stock retention provisions
No hedging or pledging of company stock
Robust clawback policy
8
1
2
3
4
5
6
7

8
Sound Executive Compensation Practices