GOODYEAR TIRE & RUBBER CO /OH/
Form DEF 14A
June 02, 2004

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SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Section 240.14a-11c or 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:

(3) Per unit price or other underlying value of 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 transaction:

(5) Total fee paid:

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
2004 Annual Meeting of Shareholders
and
Proxy Statement

The Goodyear Tire & Rubber Company

1144 East Market Street

Akron, Ohio 44316-0001

DATE:	June 30, 2004
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 24 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

June 2, 2004

Dear Shareholders:

You are cordially invited to attend Goodyear s 2004 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 Wednesday, June 30, 2004. We hope you will be able to attend and participate. The Notice of, and Proxy Statement for, the 2004 Annual Meeting of Shareholders follow. Our 2003 Annual Report is enclosed.

At the Annual Meeting, shareholders will elect four persons to serve as directors: three to serve as Class II directors for three year terms and one to serve as a Class I director to serve for a one year term (Item 1 on your proxy). The Proxy Statement contains information regarding each nominee and the six continuing directors.

Your Board of Directors is presenting for action by the shareholders its proposal that shareholders ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for Goodyear for 2004 (Item 2 on your proxy). Your Board of Directors recommends that you vote for the ratification of the appointment of PricewaterhouseCoopers LLP. In addition, a shareholder proposal will be considered (Item 3 on your proxy). Your Board of Directors recommends that you vote against the shareholder proposal.

If you plan to attend the Annual Meeting, please mark the indicated box on the reverse side of your proxy or so indicate when you vote via the Internet or by telephone. You do not need a ticket to attend the Annual 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

2004 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON June 30, 2004

To The Shareholders:

The 2004 Annual Meeting of Shareholders of The Goodyear Tire & Rubber Company, an Ohio corporation, will be held at the Goodyear Theater (in the Company s Principal Office Complex), 1201 East Market Street, Akron, Ohio, on Wednesday, June 30, 2004 at 9:00 A.M., Akron Time, for the following purposes:

1. To elect four directors, three to serve as Class II directors each for a term of three years, and one to serve as a Class I director for a one year term (Proxy Item 1); and

2. To consider and vote upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for Goodyear for 2004 (Proxy Item 2); and

3. To consider and vote upon a Shareholder Proposal (Proxy Item 3), if properly presented at the Annual Meeting; and

4. 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 May 10, 2004 as the record date for determining shareholders entitled to notice of, and to vote at, the 2004 Annual Meeting. Only holders of record of Goodyear Common Stock at the close of business May 10, 2004 will be entitled to vote at the 2004 Annual Meeting and adjournments, if any, thereof.

June 2, 2004

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 , or we or us), to be voted at the annual meeting of shareholders to be held June 30, 2004 (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, 2003 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 June 4, 2004.

Shares Voting. Holders of shares of the Common Stock, without par value, of Goodyear (the Common Stock) at the close of business on May 10, 2004 (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 175,339,715 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. The affirmative vote of at least a majority of the shares of Common Stock outstanding on the record date is required for any management or shareholder proposal to be adopted at the Annual Meeting. In the election of directors, the four candidates receiving the most votes will be elected.

Abstentions, withheld votes and broker non- votes do not affect the election of directors and have the same effect as votes against any proposal voted upon by shareholders.

Cumulative Voting For Directors. In the voting for Class II directors, you have the right to vote cumulatively for candidates nominated prior to the voting. In voting cumulatively, you may (a) give one candidate the number of votes equal to three times the number of shares of Common Stock you are entitled to vote, or (b) distribute your votes among the three candidates as desired.

Voting Of Proxy. Three Goodyear directors, Messrs. Boland, Minter and Zimmerman, 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 four nominees identified at page 5, 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 as Class II director. 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.

Your shares will be voted in favor of the proposal by the Board of Directors to ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for Goodyear for 2004 and against the shareholder proposal, unless your instructions are otherwise or you expressly abstain from voting.

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. The inspectors of election and persons processing and tabulating your vote will be representatives of EquiServe Trust Company, N.A.

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.

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 and Board of Directors and Executive Officers Conflicts of Interest Policy are available at http://www.goodyear.com/investor/governance.html. Please note, however, that information contained on the website is not incorporated by reference in, or considered to be a part of, this document.

Board Independence

The Board has determined that each of the current directors, except the Chairman of the Board and Chief Executive Officer, is independent within the meaning of Goodyear s director independence standards, which are attached to this proxy statement as Annex A. Furthermore, the Board has determined that each of the members of each of the Board committees is independent within the meaning of Goodyear s director independence standards.

Board Structure and Committee Composition

As of the date of this proxy statement, Goodyear s Board has 11 directors classified into three classes and the following five committees: (1) Audit, (2) Compensation, (3) Corporate Responsibility, (4) Finance, and (5) Nominating and Board 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. All of the committee charters are available on Goodyear s website at http://www.goodyear.com/investor/governance.html. During the 2003 fiscal year, the Board held 11 meetings. Each director attended at least 75% of all Board and applicable Committee meetings. Directors are encouraged to attend annual meetings of Goodyear shareowners. Nine directors attended the last annual meeting of shareowners. Individuals may communicate with the Board or individual Board members as described on Goodyear s website at http://www.goodyear.com/investor/contact_brd.html.

Name of Director	Audit	Compensation	Corporate Responsibility	Finance	Nominating & Board Governance	Class
Non-Employee Directors:						
Susan E. Arnold			X	X	X	I
James C. Boland	X*	X		X		III
John G. Breen	X	X*		X		II
Gary D. Forsee	X	X	X			I
William J. Hudson, Jr.	X	X		X*		I
Steven A. Minter			X*		X	III
Rodney O Neal (1)				X	X	II
Shirley D. Peterson (2)	X		X		X	II
Agnar Pytte (3)			X		X	II
James M. Zimmerman		X			X*	III
Employee Director						
Robert J. Keegan						II
Number of Meetings in Fiscal 2003	10	3	2	3	6	

X = Committee member; * = Chair; (1) Mr. O Neal has been a director since February 2, 2004; (2) Ms. Peterson has been a director since April 13, 2004; (3) Dr. Pytte will retire immediately prior to the Annual Meeting

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, the independent accountants qualifications and independence and the performance of Goodyear s internal auditors and independent accountants. 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 accountants; 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 accountants; 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

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well as Goodyear s independent accountants. 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 meets the independence requirements of the New York Stock Exchange and each of Messrs. Boland, Breen, Forsee and Hudson are an audit committee financial expert. Mr. Boland serves on the audit committees of three other public companies. The Board has determined, however, that Mr. Boland s simultaneous service on multiple audit committees would not impair his ability to serve effectively on the Company s Audit Committee.

The report of the Audit Committee is included herein on page 19. The charter of the Audit Committee is available at http://www.goodyear.com/investor/governance.html and is also included herein as Annex B.

Compensation Committee

The Compensation Committee discharges the responsibility of the Board of Directors relating to compensation practices and plans for Goodyear s directors, executive officers and other key personnel. Among other things, the Compensation Committee prepares a report on executive compensation for inclusion in the annual proxy statement; reviews and approves the Company s goals and objectives relevant to the compensation of the Chief Executive Officer; determines the compensation of the Chief Executive Officer; advises the Board of Directors regarding directors and officers compensation and management development and succession plans; and undertakes such other activities as may be delegated to it from time to time by the Board of Directors.

The Compensation Committee also administers Goodyear s 2002 Performance Plan, Performance Recognition Plan, and certain other compensation and benefit plans sponsored by Goodyear. The charter of the Compensation Committee is available at http://www.goodyear.com/investor/governance.html.

Committee on Corporate Responsibility

The Committee on Corporate Responsibility 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. The charter of the Committee on Corporate Responsibility is available at http://www.goodyear.com/investor/governance.html.

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, counter party risk, derivative usage, credit ratings, and investor relations activities. The charter of the Finance Committee is available at http://www.goodyear.com/investor/governance.html.

Nominating and Board Governance Committee

The Nominating and Board 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 Nominating and Board Governance Committee meets the independence requirements of the New York Stock Exchange. The charter of the Nominating and Board Governance Committee is available at http://www.goodyear.com/investor/governance.html.

Consideration of Director Nominees

The policy of the Nominating and Board 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 Nominating and Board 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 Nominating and Board 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, should have adequate time to devote to Goodyear, and should have the ability to effectively serve several years prior to retirement at age 70. A person s particular expertise and ability to satisfy the independence standards 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 Nominating and Board 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. Two nominees, Mr. O Neal and Ms. Peterson, are proposed to be elected for the first time at the Annual Meeting. Each of these nominee s names was first suggested 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 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 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. Non-management Directors are Directors who are not Company officers but otherwise include Directors, if any, who are not independent by virtue of the existence of a material relationship with Goodyear. Executive sessions are led by a Presiding Director, who is elected annually by the Board. Mr. Zimmerman, the current Presiding Director, was elected to that position on May 7, 2003.

DIRECTORS COMPENSATION

Goodyear directors who are not officers or employees of Goodyear or any of its subsidiaries receive, as compensation for their services as a director, $17,500 per calendar quarter. The Presiding Director receives an additional $13,750 per calendar quarter. The chairperson of the Audit Committee receives an additional $3,750 per calendar quarter and the chairpersons of all other committees receive an additional $1,250 per calendar quarter. Any director who attends more than 24 board and committee meetings will receive $1,700 for each additional meeting attended ($1,000 if the meeting is attended by telephone). Travel and lodging expenses incurred in attending board and committee meetings are paid by Goodyear. A director who is also an officer or an employee of Goodyear or any of its subsidiaries does not receive additional compensation for his or her services as a director.

Directors who are not current or former employees of Goodyear or its subsidiaries participate in the Outside Directors Equity Participation Plan (the Directors Equity Plan). The Directors Equity Plan is intended to further align the interests of directors with the interests of shareholders by making part of each director s compensation dependent on the value and appreciation over time of the Common Stock.

Under the Directors Equity Plan, on the first business day of each calendar quarter each eligible director who has been a director for the entire preceding calendar quarter will have $17,500 accrued to his or her plan account. On April 14, 2004, individuals who had served as director since October 1, 2003 had an additional $20,000 accrued to their account pursuant to an April 13, 2004 amendment to the Directors Equity Plan. Amounts accrued are converted into units equivalent in value to shares of Common Stock at the fair market value of the Common Stock on the accrual date. The units will receive dividend equivalents at the same rate as the Common Stock, which dividends will also be converted into units in the same manner. The Directors Equity Plan also permits each participant to annually elect to have 25%, 50%, 75% or 100% of his or her retainer and meeting fees deferred and converted into share equivalents on substantially the same basis.

A participating director is entitled to benefits under the Directors Equity Plan after leaving the Board of Directors unless the Board of Directors elects to deny or reduce benefits. Benefits may not be denied or reduced if, prior to leaving the Board of Directors, the director either (i) attained the age of 70 with at least five years of Board service or (ii) attained the age of 65 with at least ten years of Board service. The units will be converted to a dollar value at the price of the Common Stock on the later of the first business day of the seventh month following the month during which the participant ceases to be a director and the fifth business day of the year next following the year during which the participant ceased to be a director. Such amount will be paid in ten annual installments or, at the discretion of the Compensation Committee, in a lump sum or in fewer than ten installments beginning on the tenth day following the aforesaid conversion from units to a dollar value. Amounts in Plan accounts will earn interest from the date converted to a dollar value until paid at a rate one percent higher than the prevailing yield on United States Treasury securities having a ten-year maturity on the conversion date.

The units accrued to the accounts of the participating directors under the Directors Equity Plan at May 10, 2004 are set forth in the Deferred Share Equivalent Units column of the Beneficial Ownership of Management table on page 11.

Goodyear also sponsors a Directors Charitable Award Program funded by life insurance policies owned by Goodyear on the lives of pairs of directors. Goodyear donates $1 million per director to one or more qualifying charitable organizations recommended by the paired directors after both of the paired directors are deceased. Assuming current tax laws remain in effect, Goodyear will recover the cost of the program over time with the proceeds of the insurance policies purchased. Directors derive no financial benefit from the program.

ELECTION OF DIRECTORS

(Item 1 on your Proxy)

The Board of Directors is classified into three classes of directors. At each annual meeting of shareholders, directors of one class are elected, on a rotating basis, to three year terms, to serve as the successors to the directors of the same class whose terms expire at that annual meeting. Each class is currently comprised of three directors, except Class II which has five directors. Upon the retirement of Agnar Pytte immediately prior to the Annual Meeting, and pursuant to action previously taken by the Board, the Board of Directors will be comprised of ten directors. Following the Annual Meeting, Classes II and III will each be comprised of three directors and Class I will be comprised of four directors. The terms of the current Class II Directors will expire at the Annual Meeting. The current terms of the Class I and Class III Directors will expire at the 2005 and 2006 annual meetings, respectively.

At the Annual Meeting, three persons are to be elected to serve as Class II Directors, each to a three year term and one person is to be elected to serve as a Class I Director for a one year term. The Board of Directors has selected the following nominees recommended by the Nominating and Board Governance Committee for election to the Board of Directors:

Class II
Robert J. Keegan
Rodney O Neal
Shirley D. Peterson

Class I
John G. Breen

Information concerning the four nominees is set forth on the following page.

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NOMINEES FOR DIRECTOR CLASS II, Three Year Terms Expiring in 2007

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: 56

Director since: October 3, 2000

RODNEY O NEAL

President, Dynamics, Propulsion, Thermal & Interior Sector, Delphi Corporation

Mr. O Neal has served in various managerial positions at Delphi Corporation since 1999 and has served as the President of the Dynamics, Propulsion, Thermal & Interior Sector since January 1, 2004. 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.

Age: 50

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 1995-2000. 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 Corp., Federal-Mogul Corp. and is an independent trustee for Scudder Mutual Funds.

Age: 62

Director since: April 13, 2004

NOMINEE FOR DIRECTOR CLASS I, One Year Term Expiring in 2005

JOHN G. BREEN

Retired. Formerly Chairman of the Board of The Sherwin-Williams Company, a manufacturer of paints, coatings and related products.

Mr. Breen was the Chairman of the Board and Chief Executive Officer of The Sherwin-Williams Company from January 15, 1979 to October 25, 1999, when he retired as Chief Executive Officer. He served as Chairman of the Board of The Sherwin-Williams Company until April 26, 2000, when he retired. He is a director of The Sherwin-Williams Company, Mead Westvaco Corporation, Parker-Hannifin Corporation and The Stanley Works.

Age: 69

Director since: January 7, 1992

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CONTINUING DIRECTORS CLASS I, Terms Expiring in 2005

SUSAN E. ARNOLD

President, Global Personal Beauty Care and Global Feminine Care of The Procter & Gamble Company

Ms. Arnold has held various marketing and managerial positions at The Procter & Gamble Co. since 1980, and was named President Global Skin Care in 1999. Since 1999, Ms. Arnold has served as President of various Procter & Gamble businesses, most recently as President Global Personal Beauty Care and Global Feminine Care.

Age: 50

Director since: January 21, 2003

GARY D. FORSEE

Chairman of the Board and Chief Executive Officer, Sprint Corp.

Mr. Forsee has served as Sprint Corp. s Chief Executive Officer since March 19, 2003. Mr. Forsee has also served as Sprint s Chairman of the Board of Directors since May 12, 2003. Prior to joining Sprint Mr. Forsee served as the Vice Chairman-Domestic Operations of BellSouth Corporation from December 2001 to February 2003, and held other managerial positions at BellSouth from September 1999 to December 2001. Prior to joining BellSouth, Mr. Forsee was President and Chief Executive Officer of Global One, a global telecommunications joint venture, from January 1998 to July 1999.

Age: 54

Director since: August 6, 2002

WILLIAM J. HUDSON, JR.

Retired. Formerly President and Chief Executive Officer and a Director of AMP, Incorporated, a global manufacturer of electrical and electronic components and assemblies.

Mr. Hudson was the President and Chief Executive Officer of AMP, Incorporated from January 1, 1993 to August 10, 1998. Mr. Hudson served as the Vice Chairman of AMP, Incorporated from August 10, 1998 to April 30, 1999. Mr. Hudson is a director of Keithley Instruments Company, a member of the Executive Committee of the United States Council for International Business, and a director of the Pinnacle Health Foundation.

Age: 70

Director since: November 7, 1995

CONTINUING DIRECTORS CLASS III, Terms Expiring in 2006

JAMES C. BOLAND

Vice Chairman of Cavs/ Gund Arena Company

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, when he became Vice Chairman. 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 a director of International Steel Group Inc., Invacare Corporation and The Sherwin-Williams Company.

Age: 64

Director since: December 18, 2002

STEVEN A. MINTER

Retired. Formerly President and Executive Director of The Cleveland Foundation, a community trust devoted to health, education, social services and civic and cultural affairs.

Mr. Minter was the President and Executive Director of The Cleveland Foundation, Cleveland, Ohio, from January 1, 1984 to June 30, 2003, when he retired. Since September 1, 2003, Mr. Minter has served as a part-time Executive-in-Residence at Cleveland State University. Mr. Minter is a director of KeyCorp and a trustee of The College of Wooster.

Age: 65

Director since: February 12, 1985

JAMES M. ZIMMERMAN

Retired. Formerly Chairman of the Board of Federated Department Stores Inc., a national retailer.

Mr. Zimmerman served as the Chairman of the Board of Federated Department Stores, Inc. from May 1997 to January 2004, and was its Chief Executive Officer from May 1997 to February 2003. Mr. Zimmerman also served as Federated s President and Chief Operating Officer from May 1988 to May 1997. He was first employed by Federated in 1965. Mr. Zimmerman is also a director of Chubb Corporation, H. J. Heinz Company and Convergys Corporation.

Age: 60

Director since: June 5, 2001

RETIRING DIRECTOR

Dr. Agnar Pytte, after more than sixteen years of service as a director, will retire immediately prior to the Annual Meeting.

RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS

(Item 2 on your Proxy)

The Audit Committee of the Board has appointed PricewaterhouseCoopers LLP (PwC) as independent accountants to audit Goodyear s consolidated financial statements for the fiscal year ending December 31, 2004. During fiscal year 2003, PwC served as Goodyear s independent accountants and also provided certain tax and other audit related services. See Principal Accountant Fees and Services on page 18. Representatives of PwC are expected to attend the meeting, where they are expected to be available to respond to appropriate questions and, if they desire, to make a statement.

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

> Resolved, that the appointment of PricewaterhouseCoopers LLP as independent accountants for the Company for the year ending December 31, 2004 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 other independent accountants for 2004.

Your Board of Directors recommends that shareholders vote FOR ratification (Proxy Item 2).

SHAREHOLDER PROPOSAL

(Item 3 on your Proxy)

The proposal set forth below has been submitted by a shareholder. Goodyear will furnish to any person, orally or in writing as requested, the number of shares of Common Stock held by the shareholder proponent promptly upon any written or oral request.

Shareholder Voting Right on a Poison Pill

RESOLVED: That the shareholders of our company request that our Board of Directors seek shareholder approval at the earliest subsequent shareholder election, for the adoption, maintenance or extension of any current or future poison pill. Once adopted, removal of this proposal or any dilution of this proposal, would consistently be submitted to shareholder vote at the earliest subsequent shareholder election.

We as shareholders voted in support of this topic:

Year	Rate of Support
2002	70%
2003	53%

This percentage is based on yes and no votes cast. I believe this level of shareholder support is impressive because this support followed our Directors objection to the proposal. I believe that shareholders are more likely to vote in favor of this proposal topic if shareholders have the staff and/or resources to closely follow our company s governance practices.

Only 20% of shares outstanding supported our Directors position on this topic in 2002. This 20% management support is a direct comparison to our Directors percentage in the 2003 proxy.

I do not see how our Directors object to this proposal because it gives our Directors the flexibly to overrule our shareholder vote if our Directors seriously believe they have a good reason. I believe our two consecutive votes are a strong signal of shareholder concern. This topic also won an overall 60% yes-vote at 79 companies in 2003.

Victor Rossi, P.O. Box 249, Boonville, Calif. 95415 submitted this proposal.

Poison Pill Negative

The key negative of poison pills is that pills can preserve management deadwood instead of protecting investors.

Source: *Morningstar.com*

The Potential of a Tender Offer Can Motivate Our Directors

Hectoring directors to act more independently is a poor substitute for the bracing possibility that shareholders could turn on a dime and sell the company out from under its present management. Source: *Wall Street Journal, Feb. 24, 2003*

Diluted Stock

An anti-democratic management scheme to flood the market with diluted stock is not a reason that a tender offer for our stock should fail.

Source: *The Motley Fool*

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Akin to a Dictator

Poison pills are akin to a dictator who says, Give up more of your freedom and I ll take care of you. Performance is the greatest defense against getting taken over. Ultimately if you perform well you remain independent, because your stock price stays up.

Source: *T. J. Dermot Dunphy,* CEO of Sealed Air (NYSE) for more than 25 years.

I believe our Directors could make a token response to this proposal hoping to gain points in the new corporate governance rating systems. A reversible response, which could still allow our directors to give us a poison pill on short notice with no subsequent vote, would not substitute for this proposal.

Council of Institutional Investors Recommendation

The Council of Institutional Investors www.cii.org. an organization of 130 pension funds investing $2 trillion, called for shareholder approval of poison pills.

Shareholder Voting Right on a Poison Pill

Yes on 3

STATEMENT OF THE BOARD OF

DIRECTORS OPPOSING SHAREHOLDER PROPOSAL

The Board of Directors has already acted to terminate Goodyear s Shareholder Rights Plan (the Rights Plan) effective June 1, 2004. Accordingly, the Board of Directors recommends that shareholders vote against the adoption of the shareholder proposal.

The Board is mindful that the Rights Plan has been the subject of two similar proposals by the same shareholder in recent years. Although each of these prior proposals failed to receive the necessary votes for adoption, following the 2003 Annual Meeting of Shareholders the Board of Directors initiated a comprehensive review of the Rights Plan, and on February 3, 2004, **determined to terminate the Rights Plan by accelerating its termination date from July 29, 2006 to June 1, 2004**. In addition, the Board agreed to the following policy with respect to the future adoption of a rights plan (the Policy):

If the Company ever were to adopt a rights plan, the Board of Directors would seek prior shareholder approval of the plan unless, due to timing constraints or other reasons, a committee consisting solely of independent directors determines that it would be in the best interests of shareholders to adopt a plan before obtaining shareholder approval.

If a rights plan is adopted without prior shareholder approval, the plan must either be ratified by shareholders or must expire within one year.

The Policy is in Goodyear s Corporate Governance Guidelines and is designed to balance the concerns of shareholders expressed in the votes of the prior rights plan proposals with the Directors fiduciary obligations under Ohio law. A blanket requirement that shareholders approve all rights plans under all circumstances could, in certain circumstances, prevent the Directors from fulfilling their fiduciary obligations, especially in the context of a takeover attempt. As a result, the Policy gives the Board of Directors the flexibility to adopt a shareholder rights plan in the future when, consistent with its fiduciary obligation under Ohio law, a committee consisting solely of independent Directors determines such action to be in the best interests of Goodyear s shareholders. In the event that a rights plan is adopted in the future, the Policy requires that Goodyear s shareholders would have to approve the rights plan within one year or the rights plan would expire.

Your Board of Directors strongly believes that by adopting the Policy and terminating the Rights Plan early it has appropriately implemented the proposal.

Your Board of Directors recommends that shareholders vote AGAINST the adoption of the Shareholder Proposal (Proxy Item 3.)

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. Boland, Minter and Zimmerman in such manner as they, in their discretion, deem appropriate.

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BENEFICIAL OWNERSHIP OF COMMON STOCK

The firms identified in the table below have reported that they beneficially owned at December 31, 2003 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
Brandes Investment Partners, Inc. and related parties 11988 El Camino Real, Suite 500 San Diego, California 92130	28,534,995(1)	16.3%

Notes:

(1) Shared dispositive power in respect of 28,534,995 shares and shared voting power in respect of 22,563,208 shares, as stated in a Schedule 13G dated February 19, 2004.

In addition, The Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60675, has indicated that at the record date it held 23,053,412 shares, or approximately 13.15% of the outstanding shares, of Common Stock, including 21,463,408 shares, or approximately 12.24% of the outstanding shares, of Common Stock held as the trustee of three employee savings plans sponsored by Goodyear and certain subsidiaries.

On the record date, each director and nominee, each person named in the Summary Compensation Table on page 12, and all directors and executive officers as a group, beneficially owned the number of shares of Common Stock set forth in the Beneficial Ownership of Management table below.

BENEFICIAL OWNERSHIP OF DIRECTORS AND MANAGEMENT

	Beneficial Ownership at May 10, 2004 (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
Susan E. Arnold	-0-	-0-	-0-	6,592(11)
James C. Boland	3,000	-0-	-0-	8,015(11)
John G. Breen	5,200(5)(6)	-0-	-0-	38,423(11)
Christopher W. Clark	1,375	869	75,952	-0-
Gary D. Forsee	1,000	-0-	-0-	9,097(11)
C. Thomas Harvie	7,237	1,106	142,000	1,415(12)
William J. Hudson, Jr	5,000	-0-	-0-	27,094(11)
Jarro F. Kaplan	3,000(7)	-0-	72,490	-0-
Robert J. Keegan	65,182(8)	446	327,500	-0-
Steven A. Minter	1,580(6)	-0-	-0-	18,546(11)
Rodney O Neal	-0-	-0-	-0-	-0-
Shirley D. Peterson	-0-	-0-	-0-	-0-
Agnar Pytte	1,200(6)	-0-	-0-	39,308(11)
Robert W. Tieken	4,712(9)	1,267	159,250	1,685(12)
James M. Zimmerman	2,635	-0-	-0-	9,883(11)
	148,074(10)	23,176	1,417,252	202,174

All directors, the Named Officers and all other executive officers as a group (33 persons)	

Notes:

(1) The number of shares indicated as beneficially owned by each of the directors and named executive officers, and the 1,588,502 shares of Common Stock indicated as beneficially owned by all directors and 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. In each case, beneficial ownership is less than one percent of all outstanding shares of Common Stock.

(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.

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

(4) Shares which may be acquired upon the exercise of options which are exercisable prior to July 10, 2004 under Goodyear s 2002 Performance Plan (the 2002 Plan), Goodyear s 1997 Performance Incentive Plan (the 1997 Plan) and the 1989 Goodyear Performance and Equity Incentive Plan (the 1989 Plan).

(5) Includes 5,000 shares jointly owned by Mr. Breen and his spouse.

(6) Includes 200 shares acquired pursuant to Goodyear s 1994 Restricted Stock Award Plan for Non-employee Directors, which shares are subject to certain restrictions.

(7) Shares owned jointly by Mr. Kaplan and his spouse.

(8) Includes 50,000 shares acquired under the 1997 Plan and a Restricted Stock Purchase Agreement and 13,000 shares owned by his spouse.

(9) Includes 1,980 shares owned jointly by Mr. Tieken and his spouse.

(10) Includes 119,236 shares owned of record and beneficially or owned beneficially through a nominee, and 28,838 shares held by or jointly with family members of certain directors and executive officers.

(11) Deferred units, each equivalent to a hypothetical share of Common Stock, accrued to accounts of the director under Goodyear s Outside Directors Equity Participation Plan, payable in cash following retirement from the Board of Directors. See Directors Compensation at page 4.

(12) Units, each equivalent to a hypothetical share of Common Stock, deferred pursuant to performance awards earned under the 2002 Plan, 1997 Plan and the 1989 Plan and receivable in cash, shares of Common Stock, or any combination thereof, at the election of the executive officer.

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EXECUTIVE OFFICER COMPENSATION

SUMMARY OF COMPENSATION

The table below sets forth information regarding the compensation of the Chief Executive Officer of Goodyear and the persons who were, at December 31, 2003, the other four most highly compensated executive officers of Goodyear (the Named Officers) for services in all capacities to Goodyear and its subsidiaries during 2003, 2002 and 2001.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary (Dollars)	Bonus (Dollars) (1)	Other Annual Compen-sation (Dollars) (2)	Restricted Stock Award(s) (Dollars)	Securities Underlying Options/ SARs (Number of Shares)	Long Term Incentive Plan Payouts (Dollars) (3)	All Other Compen-sation (Dollars) (4)
Robert J. Keegan	2003	$ 1,000,000	$ 509,200	$ 8,256	-0-	200,000	-0-	$ -0-
Chairman of the Board,	2002	840,000	-0-	8,250	-0-	140,000	-0-	5,100
Chief Executive Officer	2001	826,667	566,724	81,686	-0-	90,000	-0-	5,100
and President (5)								
C. Thomas Harvie	2003	415,000	175,000	8,250	-0-	42,700	-0-	-0-
Senior Vice President, General	2002	415,000	102,537	8,250	-0-	32,000	-0-	6,655
Counsel and Secretary	2001	410,000	271,408	620	-0-	32,000	-0-	16,208
Christopher W. Clark	2003	310,083	256,888	2,000	-0-	26,000	-0-	-0-
Senior Vice President,	2002	295,000	171,000	-0-	-0-	18,000	-0-	5,100
Global Sourcing (6)	2001	286,667	207,518	1,500	-0-	18,000	-0-	5,100
Robert W. Tieken	2003	465,000	84,000	8,256	-0-	45,000	-0-	-0-
Executive Vice President and	2002	465,000	82,500	8,250	-0-	40,000	-0-	6,889
Chief Financial Officer	2001	460,000	283,635	-0-	-0-	40,000	-0-	15,404
Jarro F. Kaplan	2003	281,667	252,666	-0-	-0-	26,000	-0-	12,000
President, Eastern Europe,	2002	270,000	255,000	-0-	-0-	17,000	-0-	12,000
Africa and Middle East Region (7)	2001	238,009	78,575	-0-	-0-	15,000	-0-	12,000

Notes to Summary Compensation Table:

(1) Amounts awarded under the Performance Recognition Plan. In respect of 2001, the amounts indicated also include amounts awarded in cash and shares of Common Stock to Messrs. Keegan and Tieken pursuant to one year performance awards under the 1997 Plan. The payment of all of the award to Mr. Keegan in respect of 2001, was deferred pursuant to the Deferred Compensation Plan for Executives. Additional information regarding the amounts awarded to the Named Officers and other executive officers under the Performance Recognition Plan for 2003 is contained in the Compensation Committee Report On Executive Compensation beginning at page 20.

(2) Amounts shown represent the cost to Goodyear of tax and financial planning assistance provided to the Named Officers by third parties, and moving expenses of $75,311 paid to Mr. Keegan in 2001.

(3) No payouts were earned in 2003, 2002 or 2001 pursuant to performance equity grants under the 1997 Plan for performance periods ended December 31, 2003, 2002 or 2001, except as reported at Note 1 above.

(4) All Other Compensation for individuals other than Mr. Kaplan consists of:

(a) for 2002 (i) the value of deferred Common Stock equivalent units accrued as dividend equivalents during 2002 in respect of units awarded and deferred in February of 2001, 2000, 1999, 1998 and 1997, and (ii) $5,100 of matching contributions under Goodyear s Savings Plan.

(b) for 2001 (i) the value of deferred Common Stock equivalent units accrued as dividend equivalents during 2001 in respect of units awarded and deferred in February of 2000, 1999, 1998 and 1997, and (ii) $5,100 of matching contributions under Goodyear s Savings Plan.

Mr. Kaplan received foreign service premium payments of $12,000 in each of 2003, 2002 and 2001. Mr. Kaplan did not receive matching contributions under Goodyear s Savings Plan in 2003, 2002 or 2001.

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(5) Mr. Keegan became a Goodyear employee on October 1, 2000 and served as President and Chief Operating Officer from October 3, 2000 until he was elected the President and Chief Executive Officer effective January 1, 2003. Mr. Keegan became Chairman of the Board effective June 30, 2003.

(6) Mr. Clark has served as Senior Vice President, Global Sourcing since November 3, 2003. He served as President, Latin America Region, from August 1, 2002 to November 2, 2003.

(7) Mr. Kaplan has served as President, Eastern Europe, Africa and Middle East Region since May 7, 2001. He served as Managing Director of Deutsche Goodyear from 1999 until May 6, 2001.

OPTION/SAR GRANTS IN 2003

The table below shows all grants of stock options and SARs during 2003 to the Named Officers. Ordinarily, Stock Options and SARs are granted annually in December of each year.

OPTION/SAR GRANTS IN 2003

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (Dollars)(3)(4)	
Name	**Number of Securities Underlying Options/SARs Granted (Number of Shares)(1)**	**% of Total Options/ SARs Granted to Employees in 2003**	**Exercise or Base Price (Dollars per Share)(2)**	**Expiration Date**	**5%**	**10%**
Robert J. Keegan	200,000	5.2%	$6.81	12-02-13	$856,000	$2,170,000
C. Thomas Harvie	42,700	1.1	6.81	12-02-13	182,756	463,295
Christopher W. Clark	26,000	.7	6.81	12-02-13	111,280	282,100
Robert W. Tieken	45,000	1.2	6.81	12-02-13	192,600	488,250
Jarro F. Kaplan	26,000	.7	6.81	12-02-13	111,280	282,100

Notes To Option/ SAR Grants Table:

(1) On December 2, 2003, stock options in respect of an aggregate of 3,850,350 shares of Common Stock were granted to 842 persons, including the Named Officers. All shares are the subject of non-qualified stock options. Each stock option will become exercisable in respect of 25% of the shares covered thereby on each of the first four anniversaries of the grant date. Each unexercised stock option terminates automatically if the optionee ceases to be an employee of Goodyear or one of its subsidiaries for any reason, except that (a) upon retirement or disability of the optionee more than six months after the grant date, the stock option will become immediately exercisable and remain exercisable until its expiration date, and (b) in the event of the death of the optionee more than six months after the grant thereof, each stock option will become exercisable and remain exercisable for up to three years after the date of death of the optionee. Each option also includes the right to the automatic grant of a new option (a reinvestment option) for that number of shares tendered in the exercise of the original stock option. The reinvestment option will be granted on, and will have an exercise price equal to the fair market value of the Common Stock on, the date of the exercise of the original stock option and will be subject to the same terms and conditions as the original stock option except for the exercise price and the reinvestment option feature.

(2) The exercise price of each stock option is equal to 100% of the per share fair market value of the Common Stock on the date granted. The option exercise price and/or withholding tax obligations may be paid by delivery of shares of Common Stock valued at the market value on the date of exercise.

(3) The dollar amounts shown reflect calculations at the 5% and 10% rates set by the Securities and Exchange Commission and, therefore, are not intended to forecast possible future appreciation, if any, of the price of the Common Stock. No economic benefit to the optionees is possible without an increase in price of the Common Stock, which will benefit all shareholders commensurately.

(4) In order to realize the potential values set forth in the 5% and 10% columns of the Table, the per share price of the Common Stock would be $11.09 and $17.66, respectively.

OPTION/SAR 2003 EXERCISES AND YEAR-END VALUES

The table below sets forth certain information regarding option and SAR exercises during 2003, and the value of options/ SARs held at December 31, 2003, by the Named Officers.

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AGGREGATED OPTION/SAR EXERCISES IN 2003 AND

DECEMBER 31, 2003 OPTION/SAR VALUES

Name	Shares Acquired on Exercise (Number of Shares)	Value Realized (Dollars)	Number of Securities Underlying Unexercised Options/SARs at December 31, 2003 (Number of Shares)		Value of Unexercised In-the-Money Options/SARs at December 31, 2003 (Dollars)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Robert J. Keegan	-0-	-0-	327,500	432,500	$ 0	$210,000
C. Thomas Harvie	-0-	-0-	140,750	90,950	0	44,835
Christopher W. Clark	-0-	-0-	80,852	53,500	0	27,300
Robert W. Tieken	-0-	-0-	184,250	103,750	0	47,250
Jarro F. Kaplan	-0-	-0-	72,490	48,800	0	27,300

Note to Option/ SAR Exercises and Year-End Values Table:

(1) Determined using $7.86 per share, the closing price of the Common Stock on December 31, 2003, as reported on the New York Stock Exchange Composite Transactions tape.

LONG TERM INCENTIVE AWARDS

The 2002 Performance Plan of the Company (the 2002 Plan) empowers the Compensation Committee to make grants and awards from time to time until April 15, 2005. Such grants and awards may be incentive or non-qualified stock options, stock appreciation rights, restricted stock grants, performance grants, any other stock-based grants and awards authorized by the Committee, or any combination of any or all of such grants and awards, whether in tandem with each other or otherwise, to officers and other key employees of the Company and its subsidiaries.

During 2003, the Company did not make any long term grants or awards to any Named Officer. Accordingly, the long term incentive plan awards table is omitted.

OTHER COMPENSATION PLAN INFORMATION

Stock Options and SARs

At May 10, 2004, stock options (including, in the case of certain options, tandem SARs) in respect of 22,412,744 shares were outstanding under the 2002, 1997 and 1989 Plans having a weighted average exercise price of $28.11.

Performance Recognition Plan

Approximately 768 key employees, including all executive officers of Goodyear, will participate in the Performance Recognition Plan of Goodyear (the Performance Plan) for plan year 2004. On December 1, 2003, the Committee selected the participants, established their respective target bonuses, and approved the performance criteria and goals. Awards in respect of plan year 2004 will be made in 2005 based on each participant s level of achievement of his or her goals, the Chief Executive Officer s (or, in the case of participants who are not officers, other officers of Goodyear) evaluation of the extent of the participant s contribution to Goodyear, and the Committee s determination of the amount available for payment to the relevant group of participants. Awards, if any, will be paid (except to the extent deferred by the Committee) in cash. Target bonuses under the Performance Plan have been established for calendar year 2004 as follows: Mr. Keegan, $1,300,000; Mr. Harvie, $280,000; Mr. Clark, $220,000; Mr. Tieken, $330,000; Mr. Kaplan, $190,000, and all participants (768 persons) as a group, $26,167,067.

Executive Performance Plan

On December 1, 2003, the Compensation Committee established the Executive Performance Plan. The purpose of the plan is to provide long-term incentive compensation opportunities to attract, retain and reward key personnel and to motivate key personnel to achieve business objectives. Upon the attainment of performance goals established by the Committee, participants will be eligible to receive a cash award at the end of the performance period subject to adjustment and approval by the Committee. No grants were issued under this plan as of January 1, 2004.

Savings Plan

Goodyear sponsors the Employee Savings Plan for Salaried Employees (the Savings Plan). An eligible employee, including officers, may contribute 1% to 50% of his or her compensation to the Savings Plan, subject to an annual contribution ceiling ($13,000 in 2004). Savings Plan participants who are age 50 or older and contributing at the maximum plan limits or at the annual contribution ceiling are entitled to make catch-up contributions annually up to a specified amount ($3,000 in 2004). Contributions to the Savings Plan are not included in the current taxable income of the employee pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended. Employee contributions are invested, at the direction of the participant, in any one or more of the nine available funds and/or in mutual funds under a self directed account.

Prior to January 1, 2003, Goodyear matched at a 50% rate each dollar contributed by a participating employee up to a maximum of the lesser of (i) 6% of the participant s annual compensation or (ii) legally imposed limits. Goodyear contributions are invested by the Savings Plan trustee in shares of Common Stock. Goodyear suspended the matching program effective January 1, 2003. Participants with three years of service or who have attained age 52 may transfer all or any whole percentage of their employer match funds from the Goodyear Stock Fund to any one or more of the other investment alternatives.

Severance Plan

The Goodyear Employee Severance Plan (the Severance Plan), adopted on February 14, 1989, provides that, if a full-time salaried employee of Goodyear or any of the domestic subsidiaries (who participates in the Salaried Pension Plan) with at least one year of service is involuntarily terminated (as defined in the Severance Plan) within two years following a change in control, the employee is entitled to severance pay, either in a lump sum or, at the employee s election, on a regular salary payroll interval basis.

The severance pay will equal the sum of (a) two weeks pay for each full year of service with Goodyear and its subsidiaries and (b) one month s pay for each $12,000 of total annual compensation (the base salary rate in effect at the date of termination, plus all incentive compensation received during the twelve months prior to his or her separation). Severance pay may not exceed two times the employee s total annual compensation.

In addition, medical benefits and basic life insurance coverage will be provided to each employee on the same basis as in effect prior to his or her separation for a period of weeks equal to the number of weeks of severance pay. A change in control is deemed to occur upon the acquisition of 35% or more of the Common Stock by any acquiring person or any change in the composition of the Board of Directors of Goodyear with the effect that a majority of the directors are not continuing directors.

If the Named Officers had been involuntarily terminated as of December 31, 2003 (following a change in control), the amount of severance pay due would have been: Mr. Keegan $2,000,000; Mr. Harvie, $965,000; Mr. Clark $1,012,000; Mr. Tieken, $1,095,000; and Mr. Kaplan $1,080,000.

The Company also follows general guidelines for providing severance benefits to executive officers of the Company whose employment terminates prior to retirement, and under appropriate circumstances. Executive officers eligible for such benefits typically receive a separation allowance based on individual circumstances, including length of service, in an amount generally equivalent to 6 to 18 months of base salary plus an amount based on the individual s target bonus then in effect over an equivalent period. The separation allowance may be paid in a single lump sum or in installments. The Company may also provide limited outplacement and personal financial planning services to eligible executive officers following their termination.

Deferred Compensation Plan

Goodyear s Deferred Compensation Plan for Executives provides that an eligible employee may elect to defer all or a portion of his or her Performance Plan award and/or annual salary by making a timely deferral election. Several deferral period options are available. All amounts deferred earn amounts equivalent to the returns on one or more of five reference investment funds, as selected by the participant. The plan was amended in 2002 to eliminate a provision that required the automatic deferral of any cash compensation earned which, if paid as and when due, would not be deductible by Goodyear for federal income tax purposes by reason of Section 162(m) of the Code.

RETIREMENT BENEFITS

Goodyear maintains a Salaried Pension Plan (the Pension Plan), a defined benefit plan qualified under the Code, in which many salaried employees, including most executive officers, participate. The Pension Plan permits any eligible employee to make monthly optional contributions up to a maximum 2004 contribution of $3,660.50. The Code limits the maximum amount of earnings that may be used in calculating benefits under the Pension Plan, which limit is $205,000 for 2004. The Pension Plan provides benefits to participants who have at least five years of service upon any termination of employment.

Goodyear also maintains a Supplementary Pension Plan (the Supplementary Plan), a non-qualified, unfunded plan which provides additional retirement benefits to certain officers and other key employees. The Supplementary Plan provides pension benefits to participants who have at least 30 years of service or have ten years of service and are age 55 or older.

Under the Pension Plan and the Supplementary Plan (the Pension Plans), benefits payable to a participant who retires between ages 55 and 65 are subject to a reduction for each full year of retirement before age 65. Participants may elect a lump sum payment of benefits under the Pension Plans, subject to the approval of the

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Compensation Committee in respect of benefits under the Supplementary Plan.

The table below shows estimated annual benefits payable at selected earnings levels under the Pension Plans assuming retirement on July 1, 2004 at age 65 after selected periods of service.

The pension benefit amounts shown include the maximum benefits obtainable and assume payments are made on a five year certain and life annuity basis and are not subject to any deduction for social security or any other offsets. Pension benefits are based on the retiree s highest average annual earnings, consisting of salary and cash payments under the Performance Recognition Plan, for any five calendar years out of the ten years immediately preceding his or her retirement (assuming full participation in the contributory feature of the Pension Plan).

Earnings covered by the Pension Plans are substantially equivalent to the sum of the amounts set forth under the Salary and Bonus columns of the Summary Compensation Table on page 13. The years of credited service under the Pension Plans for the Named Officers are: Mr. Keegan, 32 years (Supplementary Plan only); Mr. Harvie, 8 years; Mr. Clark, 30 years; Mr. Tieken, 9 years, and Mr. Kaplan 34 years.

PENSION PLAN TABLE

5 Year Average Annual Remuneration	Estimated annual benefits upon retirement at July 1, 2004, for years of service indicated.						
	10 Years	15 Years	25 Years	30 Years	35 Years	40 Years	45 Years
$ 250,000	$ 50,064	$ 68,625	$ 99,049	$ 111,190	$ 118,264	$ 124,853	$ 131,423
500,000	105,064	143,625	206,549	231,190	245,764	259,853	273,923
750,000	160,064	218,625	314,049	351,190	373,264	394,853	416,423
1,000,000	215,064	293,625	421,549	471,190	500,764	529,853	558,923
1,250,000	270,064	368,625	529,049	591,190	628,264	664,853	701,423
1,500,000	325,064	443,625	636,549	711,190	755,764	799,853	843,923
1,750,000	380,064	518,625	744,049	831,190	883,264	934,853	986,423
2,000,000	435,064	593,625	851,549	951,190	1,010,764	1,069,853	1,128,923
2,500,000	545,064	743,625	1,066,549	1,191,190	1,265,764	1,339,853	1,413,923

EMPLOYMENT AGREEMENT

Mr. Keegan and Goodyear entered into an agreement, dated September 11, 2000, which provided, among other things, for the employment of Mr. Keegan as President and Chief Operating Officer.

Under the agreement, Mr. Keegan received an initial base salary of $800,000 per year and a bonus for 2000 of $432,000. The agreement also provided an annual bonus target of $640,000 for 2001. In accordance with the agreement and determinations of the Compensation Committee, Mr. Keegan was also granted a stock option for 250,000 shares of Common Stock on October 3, 2000, at an $18.25 per share exercise price. The agreement also set forth the Company s expectation with respect to grants to be made under Goodyear s long-term incentive program. The agreement stated that the target amount of stock option grants for Mr. Keegan s position was 140,000 shares. The agreement noted that this amount was subject to reduction if the Company adopted an additional component to the program.

As contemplated by the agreement, on December 4, 2000, Mr. Keegan was granted stock options for 80,000 shares of Common Stock at an exercise price of $17.68 per share and on December 5, 2000 he was awarded performance unit grants for 12,000 units for the performance period ending December 31, 2001, for 24,000 units for the performance period ending December 31, 2002, and for 36,000 units for the performance period ending December 31, 2003.

In accordance with the agreement and under the 1997 Plan, Mr.&nbs