

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

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

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

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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
Better
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

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9
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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:

o

Large institutional investors

o

Pension funds

o

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

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1
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6
7

8

Sound Executive Compensation Practices

