

GOODYEAR TIRE & RUBBER CO /OH/

Form DEF 14A

March 24, 2005

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
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 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:
- 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:



**Table of Contents**

**Notice of  
2005 Annual Meeting of Shareholders  
and  
Proxy Statement  
The Goodyear Tire & Rubber Company  
1144 East Market Street  
Akron, Ohio 44316-0001**

**DATE:** April 26, 2005

**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 36 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.**

---

**Table of Contents**

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

March 24, 2005

**Dear Shareholders:**

You are cordially invited to attend Goodyear's 2005 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 26, 2005. During the meeting, we will discuss each item of business described in this 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*

---

**Table of Contents****CONTENTS**

	<b>Page</b>
<b><u>Notice of The 2005 Annual Meeting of Shareholders</u></b>	<b>I</b>
<b><u>Proxy Statement</u></b>	<b>1</b>
<u>General Information</u>	1
<u>Shares Voting</u>	1
<u>Quorum</u>	1
<u>Adjourned Meeting</u>	1
<u>Vote Required</u>	1
<u>Cumulative Voting for Directors</u>	1
<u>Voting of Proxy</u>	1
<u>Voting Shares Held in Street Name</u>	2
<u>Confidentiality</u>	2
<u>Revocability of Proxy</u>	2
<u>Corporate Governance Principles and Board Matters</u>	3
<u>Board Independence</u>	3
<u>Board Structure and Committee Composition</u>	3
<u>Audit Committee</u>	4
<u>Compensation Committee</u>	4
<u>Committee on Corporate Responsibility</u>	4
<u>Finance Committee</u>	4
<u>Nominating and Board Governance Committee</u>	4
<u>Consideration of Director Nominees</u>	5
<u>Director Selection Guidelines</u>	5
<u>Identifying and Evaluating Nominees for Director</u>	5
<u>Executive Sessions</u>	5
<u>Directors Compensation</u>	6
<u>Election of Directors (Proxy Item 1)</u>	6
<u>Proposed Amendment to Code of Regulations Regarding Shareholder Notification (Proxy Item 2)</u>	11
<u>Proposed Amendment to Code of Regulations Regarding Annual Election of Directors (Proxy Item 3)</u>	12
<u>Proposal to Approve the Adoption of the 2005 Performance Plan (Proxy Item 4)</u>	13
<u>Ratification of Appointment of Independent Accountants (Proxy Item 5)</u>	19
<u>Shareholder Proposal (Proxy Item 6)</u>	19
<u>Other Business</u>	21
<u>Beneficial Ownership of Common Stock</u>	21
<u>Executive Officer Compensation</u>	23
<u>Summary of Compensation</u>	23
<u>Option/ SAR Grants in 2004</u>	24
<u>Option/ SAR 2004 Exercises and Year-End Values</u>	25
<u>Long Term Incentive Awards</u>	26
<u>Other Compensation Plan Information</u>	26
<u>Retirement Benefits</u>	28
<u>Employment Agreement</u>	29
<u>Other Matters</u>	30
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	30
<u>Principal Accountant Fees and Services</u>	30
<u>Report of the Audit Committee</u>	31

Compensation Committee Report on Executive Compensation  
Performance Graph

---

32  
35

**Table of Contents**

	<b>Page</b>
<u>Miscellaneous</u>	36
<u>Submission of Shareholder Proposals</u>	36
<u>Savings Plan Shares</u>	36
<u>Internet and Telephone Voting</u>	36
<u>10-K Report</u>	36
<u>Costs of Solicitation</u>	37
<u>Exhibit A Director Independence Standards</u>	A-1
<u>Exhibit B Proposed Amendment to Section 3, Article I of the Code of Regulations</u>	B-1
<u>Exhibit C Proposed Amendment to Sections 1 and 2 of Article II of the Code of Regulations</u>	C-1
<u>Exhibit D 2005 Performance Plan of The Goodyear Tire &amp; Rubber Company</u>	D-1

---



**Table of Contents**

**THE GOODYEAR TIRE & RUBBER COMPANY  
NOTICE OF THE  
2005 ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON April 26, 2005**

**To The Shareholders:**

The 2005 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 Tuesday, April 26, 2005 at 9:00 A.M., Akron Time, for the following purposes:

1. To elect five directors, three to serve as Class I directors each for a term of three years, and two directors to serve as Class III directors for a one year term (Proxy Item 1); and
2. To consider and vote upon an amendment to Goodyear's Code of Regulations to permit Goodyear to notify shareholders of meetings by electronic or other means authorized by the shareholder (Proxy Item 2); and
3. To consider and vote upon an amendment to Goodyear's Code of Regulations to provide for the annual election of directors (Proxy Item 3); and
4. To consider and vote upon a proposal to approve the adoption of the Goodyear 2005 Performance Plan (Proxy Item 4); and
5. To consider and vote upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for Goodyear for 2005 (Proxy Item 5); and
6. To consider and vote upon a Shareholder Proposal (Proxy Item 6), if properly presented at the Annual Meeting; and
7. 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 March 4, 2005 as the record date for determining shareholders entitled to notice of, and to vote at, the 2005 Annual Meeting. Only holders of record of Goodyear Common Stock at the close of business March 4, 2005 will be entitled to vote at the 2005 Annual Meeting and adjournments, if any, thereof.

March 24, 2005

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.**

I

---

**Table of Contents**

**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 or we or us ), to be voted at the annual meeting of shareholders to be held April 26, 2005 (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, 2004 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 30, 2005.

**Shares Voting.** Holders of shares of the Common Stock, without par value, of Goodyear (the Common Stock ) at the close of business on March 4, 2005 (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 175,780,313 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 five 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 I 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, Keegan and Minter, 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 five nominees identified at page 7, 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 I 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.

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 the Company's Code of Regulations to permit the Company to notify shareholders of meetings by electronic or other means authorized by the shareholder (Proxy Item 2), to approve the adoption of the Goodyear 2005 Performance Plan (Proxy Item 4), to ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for Goodyear for 2005 (Proxy Item 5), and against the shareholder proposal (Proxy Item 6), unless your instructions are otherwise. With respect to the proposal to amend the Company's



**Table of Contents**

Code of Regulations to provide for the annual election of directors (Proxy Item 3), proxies will be voted as instructed by the shareholder. Since the Board of Directors makes no recommendation regarding whether to vote for or against this amendment, if no direction is made no vote will be cast on this proposal.

**Voting Shares Held in Street Name.** If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the Annual Meeting. Your broker, bank or nominee has enclosed a voting instruction card for you to use in directing the broker, bank or nominee regarding how to vote your shares. If you do not return the voting instruction card, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers have the discretion to vote on routine matters, such as the election of directors (Proxy Item 1), ratification of the selection of accounting firms (Proxy Item 5), and the proposed amendments to the Code of Regulations (Proxy Items 2 and 3) but do not have discretion to vote on non-routine matters, such as the approval of the 2005 Performance Plan (Proxy Item 4) and the shareholder proposal (Proxy Item 6). 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 (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.

**Table of Contents****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 Conflicts of Interest Policy and charters for each of the Audit, Compensation, Corporate Responsibility, Finance, and Nominating and Board Governance Committees 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. 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 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 based on the criteria established by the New York Stock Exchange and are attached to this proxy statement as Exhibit 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 2004 fiscal year, the Board held 8 meetings. Each director attended at least 75% of all Board and applicable Committee meetings. Directors are encouraged to attend annual meetings of Goodyear shareholders. Seven directors attended the last annual meeting of shareholders. As described on Goodyear's website at [http://www.goodyear.com/investor/contact\\_brd.html](http://www.goodyear.com/investor/contact_brd.html), shareholders may communicate with the Board or any of the Directors (including, the Presiding 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	Corporate				Nominating & Board Governance	Class
	Audit	Compensation	Responsibility	Finance		
<b>Non-Employee Directors</b>						
Susan E. Arnold			X	X	X	I
James C. Boland	X*	X		X		III
John G. Breen	X	X*		X		I
Gary D. Forsee	X	X	X			I
William J. Hudson, Jr	X	X		X*		I
Steven A. Minter			X*		X	III
Denise M. Morrison(1)		X			X	I
Rodney O Neal				X	X*	II
Shirley D. Peterson	X		X		X	II
Thomas H. Weidemeyer(2)			X		X	I
<b>Employee Director</b>						
Robert J. Keegan						II
<b>Number of Meetings in Fiscal 2004</b>						
	12	4	2	3	4	

X = Committee member; \* = Chair; (1) Ms. Morrison has been a director since February 23, 2005.  
(2) Mr. Weidemeyer has been a director since December 9, 2004.

## **Table of Contents**

### **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 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 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 is 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 does not impair his ability to serve effectively on the Company's Audit Committee. The report of the Audit Committee is included herein on page 31.

### **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.

### **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.

### **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.

### **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.





**Table of Contents**

**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. One nominee identified by the search firm, Mr. Weidemeyer, is proposed to be elected for the first time at the Annual Meeting. Ms. Morrison, who is also proposed to be elected for the first time, was identified through the professional contacts of a Goodyear executive.

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. Executive sessions are led by a Presiding Director, who is elected by the Board. Mr. John G. Breen currently serves as the Presiding Director.

**Table of Contents**

**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 13, 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 fifth business 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 December 31, 2004 are set forth in the Deferred Share Equivalent Units column of the Beneficial Ownership of Directors and Management table on page 22.

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 each director 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. The terms of the current Class I Directors will expire at the Annual Meeting. The current terms of the Class III and Class II Directors will expire at the 2006 and 2007 annual meetings, respectively. In the event that the proposal to amend the Code of Regulations regarding the annual election of directors is approved by shareholders (see discussion at



**Table of Contents**

pages 12-13) then beginning at the 2006 annual meeting of shareholders all directors will be elected to one year terms.

At the Annual Meeting, three persons are to be elected to serve as Class I Directors, each to a three year term and two persons are to be elected to serve as Class III Directors 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 I

Gary D. Forsee

Denise M. Morrison

Thomas H. Weidemeyer

Class III

John G. Breen

William J. Hudson, Jr.

Information concerning the five nominees is set forth on the following pages.

7

---

**Table of Contents**

**NOMINEES FOR DIRECTOR CLASS I, Three Year Terms Expiring in 2008\***

**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

**DENISE M. MORRISON**

*President Global Sales and Chief Customer Officer, Campbell Soup Company*

Ms. Morrison has served as the President Global Sales and Chief Customer Officer of Campbell Soup Company 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. Ms. Morrison is also a director of Ballard Power Systems Inc., a Canadian manufacturer of proton exchange membrane fuel cell products.

Age: 51

Director since: February 23, 2005

**THOMAS H. WEIDEMEYER**

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

Until his retirement in December 2003, Mr. Weidemeyer served as Director, Senior Vice President and Chief Operating Officer of United Parcel Service, Inc., the world's largest transportation company, since January 2001, and President of UPS Airlines since June 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 became Manager of the Air Group and a member of the Management Committee that same year. In 1998 he was elected as a Director and he became Chief Operating Officer of United Parcel Service, Inc. in 2001. Mr. Weidemeyer is also a director of NRG Energy, Inc. and Waste Management, Inc.

Age: 57

Director since: December 9, 2004

**NOMINEES FOR DIRECTOR CLASS III, One Year Terms Expiring in 2006**

**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, and The Stanley Works.

Age: 70

Director since: January 7, 1992



**Table of Contents**

**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 member of the Executive Committee of the United States Council for International Business.

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: 65

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.

Age: 66

Director since: February 12, 1985

**CONTINUING DIRECTORS CLASS II, 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: 57

Director since: October 3, 2000

**Table of Contents**

**RODNEY O NEAL**

*President and Chief Operating Officer, Delphi Corporation*

Mr. O Neal has served in various managerial positions at Delphi Corporation since 1999 and has served as the President and Chief Operating Officer since January 7, 2005, when he was also elected to Delphi's Board of Directors. 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: 51

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., Champion Enterprises, Federal-Mogul Corp. and is an independent trustee for Scudder Mutual Funds.

Age: 63

Director since: April 13, 2004

As a result of her increased responsibilities at The Procter & Gamble Company, Ms. Susan E. Arnold, currently a Class I director, has declined to stand for reelection.

\* In the event that the proposal to amend Goodyear's Code of Regulations to require the annual election of directors is approved by shareholders, the directors in Classes I and II have agreed to shorten their terms so that they expire at the 2006 Annual Meeting of Shareholders.



**Table of Contents**

**PROPOSED AMENDMENT TO CODE OF REGULATIONS TO PERMIT THE COMPANY TO NOTIFY  
SHAREHOLDERS OF RECORD OF SHAREHOLDER MEETINGS BY ELECTRONIC OR OTHER  
MEANS  
OF COMMUNICATION AUTHORIZED BY THE SHAREHOLDER  
(Item 2 on your Pr**