

GOODYEAR TIRE & RUBBER CO /OH/

Form 11-K

June 06, 2018

[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2017**

**Commission File Number: 1-1927**

**THE GOODYEAR TIRE & RUBBER COMPANY**  
**EMPLOYEE SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES**

**(Full title of the Plan)**

**THE GOODYEAR TIRE & RUBBER COMPANY**

**(Name of Issuer of the Securities)**

**200 Innovation Way**

**Akron, Ohio 44316-0001**



**Table of Contents**

**TABLE OF CONTENTS**

<u>ITEM 1. Not applicable.</u>	1
<u>ITEM 2. Not applicable.</u>	1
<u>ITEM 3. Not applicable.</u>	1
<u>ITEM 4. FINANCIAL STATEMENTS OF THE PLAN</u>	1
<u>EXHIBITS</u>	
<u>SIGNATURES</u>	
<u>EX-23.1</u>	

**Table of Contents**

**THE GOODYEAR TIRE & RUBBER COMPANY**

**EMPLOYEE SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES**

**ITEM 1.** Not applicable.

**ITEM 2.** Not applicable.

**ITEM 3.** Not applicable.

**ITEM 4. FINANCIAL STATEMENTS OF THE PLAN**

The Financial Statements of The Goodyear Tire & Rubber Company Employee Savings Plan for Bargaining Unit Employees (the Plan ) as of December 31, 2017 and 2016 and for the fiscal year ended December 31, 2017, together with the report of Bober, Markey, Fedorovich & Company, independent registered public accounting firm, are attached to this Annual Report on Form 11-K as Annex A, and are by specific reference incorporated herein and filed as a part hereof. The Financial Statements and the Notes thereto are presented in lieu of the financial statements required by Items 1, 2 and 3 of Form 11-K. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

**EXHIBITS.**

**EXHIBIT 23.1.** Consent of Bober, Markey, Fedorovich & Company, independent registered public accounting firm.

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

THE GOODYEAR TIRE & RUBBER COMPANY

Plan Administrator of THE GOODYEAR TIRE &  
RUBBER COMPANY EMPLOYEE SAVINGS PLAN  
FOR BARGAINING UNIT EMPLOYEES

June 6, 2018

By: /s/ Evan M. Scocos  
Evan M. Scocos, Vice President and Controller

**Table of Contents**

ANNEX A TO FORM 11-K

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

FINANCIAL STATEMENTS AND

SUPPLEMENTAL INFORMATION

December 31, 2017 and 2016

**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY  
EMPLOYEE SAVINGS PLAN  
FOR BARGAINING UNIT EMPLOYEES  
TABLE OF CONTENTS

	<b>Page No.</b>
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1 - 2
FINANCIAL STATEMENTS	
<u>Statements of Net Assets Available for Benefits at December 31, 2017 and 2016</u>	3
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2017</u>	4
<u>Notes to Financial Statements</u>	5 - 17
SUPPLEMENTAL INFORMATION	
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u>	18
Note: Certain schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because of the absence of the conditions under which they are required.	

**Table of Contents**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Participants and Administrator of

The Goodyear Tire & Rubber Company Employee Savings Plan for

Bargaining Unit Employees

Akron, Ohio

**Opinion on the Financial Statements**

We have audited the accompanying statements of net assets available for benefits of The Goodyear Tire & Rubber Company Employee Savings Plan for Bargaining Unit Employees (the Plan ) as of December 31, 2017 and 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes (collectively referred to as the financial statements ). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on the Plan s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ( PCAOB ) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



**Table of Contents**

**Supplemental Information**

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Plan's auditor since 2004.

/s/ BOBER, MARKEY, FEDOROVICH & COMPANY

Akron, Ohio

June 1, 2018

**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY  
 EMPLOYEE SAVINGS PLAN  
 FOR BARGAINING UNIT EMPLOYEES  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 December 31, 2017 and 2016

(Dollars in Thousands)	2017	2016
Plan's Interest in Commingled Trust:		
Measured at Fair Value	\$ 500,830	\$ 416,374
Measured at Contract Value	174,828	189,057
Total	675,658	605,431
Notes Receivable from Participants	26,713	21,161
Contribution Receivable - Employee	57	547
Net Assets Available for Benefits	\$ 702,428	\$ 627,139

The accompanying notes are an integral part of these financial statements.

**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY  
 EMPLOYEE SAVINGS PLAN  
 FOR BARGAINING UNIT EMPLOYEES  
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 For the Year Ended December 31, 2017

(Dollars in Thousands)

<b>Contributions:</b>	
Employee	\$ 18,963
Employer	33,849
<b>Total Contributions</b>	<b>52,812</b>
<b>Deductions:</b>	
Benefits Paid to Participants or Their Beneficiaries	59,518
<b>Total Deductions</b>	<b>59,518</b>
Interest From Notes Receivable from Participants	992
Net Investment Gain from Plan s Interest in Commingled Trust	81,003
<b>Net Increase in Net Assets Available for Benefits During the Year</b>	<b>75,289</b>
<b>Net Assets Available for Benefits at Beginning of Year</b>	<b>627,139</b>
<b>Net Assets Available for Benefits at End of Year</b>	<b>\$ 702,428</b>

The accompanying notes are an integral part of these financial statements.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts of The Goodyear Tire & Rubber Company Employee Savings Plan for Bargaining Unit Employees (the Plan ) are maintained on the accrual basis of accounting.

Plan Year

The Plan Year is a calendar year.

Trust Assets

Certain savings plans sponsored by The Goodyear Tire & Rubber Company (the Company or Goodyear ) maintain their assets in a master trust entitled The Goodyear Tire & Rubber Company Commingled Trust (the Commingled Trust ) administered by The Northern Trust Company (the Trustee ). The Company currently sponsors five savings plans that participate in the Commingled Trust, including the Plan. The Plan 's divided interest in the Commingled Trust is presented in the accompanying financial statements in accordance with the allocation made by the Trustee.

Recordkeeper

Empower Retirement, the retirement services business of Great-West Financial, is the recordkeeper of the Plan.

Investment Valuation and Income Recognition

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts (See Note 9). Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they initiate permitted transactions under the terms of the plan.

The fair value of investments held by the Commingled Trust is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (See Note 8). The value of the Plan 's interest in the Commingled Trust is based on the beginning of the year value in the Commingled Trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses. Investment income (loss) and investment expenses relating to the Commingled Trust are allocated on a daily basis to the Plan based on the Plan 's value in each applicable fund within the Commingled Trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation (depreciation) includes the Commingled Trust s gains and losses on investments bought, sold and held during the year.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Notes Receivable from Participants

The Plan document allows notes from participants. These notes are reported at the unpaid principal balance plus accrued interest. Notes are deemed distributions by the Plan when they are determined to be in default.

Concentration of Credit Risk

The Stable Value Fund of the Commingled Trust invests part of the fund in investment contracts of financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that are intended to maintain stability and liquidity (See Note 9).

The Goodyear Stock Fund invests in the common stock of Goodyear. Significant changes in the price of Goodyear Stock can result in significant changes in the Net Assets Available for Benefits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and related notes to financial statements. Changes in such estimates may affect amounts reported in future years.

Risk and Uncertainties

The Plan invests in various investment securities which are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Recently Adopted Accounting Standards

In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update ( ASU ) 2017-06 which defines the financial statement presentation and disclosure requirements for employee benefit plans with interests in master trusts. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Plan adopted ASU 2017-06 effective December 31, 2017 and applied it retrospectively to the 2016 financial statements. The adoption of ASU 2017-06 did not impact the Plan's Net Assets Available for Benefits but modified certain disclosures relating to the Plan's Interest in Commingled Trust.

Reclassifications

For comparability, certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 financial statement presentation.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Subsequent Events

The Plan has evaluated subsequent events through the date of issuance of the financial statements. There were no subsequent events which required recognition or disclosure in the financial statements, other than the event disclosed in Note 5.

NOTE 2 GENERAL DESCRIPTION AND OPERATION OF THE PLAN

Inception

The Plan is a defined contribution plan, which became effective July 1, 1984, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ).

Eligibility

All employees who are members of a bargaining unit, which has adopted the Plan, and certain hourly employees at designated locations, are eligible to participate in the Plan after ninety days of continuous service with the Company.

Vesting

Employee contributions are fully vested. Employer contributions vest after the participant has completed two years of continuous service with the Company.

Contributions

Eligible employees may elect to contribute from 1% to 50% of earnings, including wages, certain bonuses, overtime and vacation pay into the Plan, subject to certain limitations under the Internal Revenue Code ( IRC ). In addition, the Plan permits catch-up contributions by participants who have attained age 50 by December 31 of each year. Participating employees may elect to have their contributions invested in any of the funds available for investment under the Plan. The Company calculates and deducts employee contributions from earnings each pay period based on the percent elected by the employee. Employees may change their contribution percent, including suspending contributions, at any time. The change will become effective as soon as administratively possible after it is submitted.

The Plan has been established under Section 401 of the IRC. Therefore, employee (except for Roth 401(k) contributions) and employer contributions to the Plan are not subject to federal income withholding tax, but are taxable when withdrawn from the Plan unless rolled over to an individual retirement account or other eligible



retirement plan.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

All participants are entitled to elect their employee contribution to be on a pre-tax basis or as a Roth 401(k) contribution, subject to certain limitations under the IRC.

Participants of the Plan who never participated in The Goodyear Tire & Rubber Company 1950 Pension Plan ( 1950 Pension Plan ) and are covered by the USW Master and Niagara Falls, Akron Firemen, Houston Chemical Plant and Topeka Powerhouse labor contracts are eligible for Company Retirement Contributions which range from 5.25% to 6.5% of eligible compensation based on age. Participants of the Plan who never participated in the 1950 Pension Plan and are covered by the Stockbridge, Georgia labor contract are eligible for a Company matching contribution equal to 50% of the first 4% of eligible compensation that the employee contributes to the Plan.

Participants of the Plan who had accrued benefits under the 1950 Pension Plan are eligible for Company Retirement Contributions ranging from \$1,700 to \$10,200 per year based on age, and in some cases, years of service.

Participants can elect to invest the Company contributions in any of the investment options available for employee contributions. Participants may not elect to invest more than 10% of Company Retirement Contributions in the Goodyear Stock Fund.

Participants may transfer amounts attributable to employee or employer contributions from one fund to the other on a daily basis subject to compliance with applicable trading policies of the Plan. Participants may not hold more than 10% of the portion of their account balance attributable to Company Retirement Contributions, immediately after a transfer of funds, in the Goodyear Stock Fund.

Participant Accounts

A variety of funds have been established for investment by participants of their accounts under the Plan. All fund accounts are valued by the Trustee at the close of business following each business day.

Interest and dividends (in funds other than the Goodyear Stock Fund) are automatically reinvested in each participant's respective accounts and reflected in the unit value of the fund which affects the value of the participant's accounts.

Under the Employee Stock Ownership Plan (the ESOP ) portion of the Plan, participants may elect to receive cash dividends on the Goodyear stock held in their employer match account. Such election results in a distribution to the participant. For the year ended December 31, 2017 total dividends paid on the Goodyear stock held were \$428,169.



Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Plan Withdrawals and Distributions

Participants may take in-service distributions of vested amounts from their accounts if they:

Attain the age of 59  $\frac{1}{2}$ , or

Qualify for a financial hardship.

The Internal Revenue Service ( IRS ) issued regulations governing financial hardship. Under the IRS regulations, withdrawals are permitted for severe financial hardship. Employee contributions to the Plan are automatically suspended for 6 months subsequent to a financial hardship withdrawal.

Participant vested amounts are eligible to be paid upon retirement, death or other termination of employment.

All withdrawals and distributions are valued as of the end of the day they are processed, and may be subject to income tax upon receipt. Any non-vested Company contributions are forfeited and applied to reduce future Company contributions and Plan expenses. As of December 31, 2017 and 2016, the Plan had forfeiture credits of \$678,716 and \$125,467, respectively.

Notes Receivable from Participants

Eligible employees may borrow money from their participant accounts. The minimum amount to be borrowed is \$1,000. The maximum amount to be borrowed is the lesser of \$50,000 reduced by the highest outstanding balance of any notes during the preceding twelve month period, or 50% of the participant's vested account balance. Participants may have up to two notes outstanding at any time. The interest rate charged is a fixed rate established at the time of the application based on prime plus one percent (5.25% and 4.5% at December 31, 2017 and 2016, respectively).

Repayments, with interest, are made through payroll deductions. If a note is not repaid when due, the outstanding balance is treated as a taxable distribution from the Plan.

Rollovers

Employees, Plan participants, or former Plan participants may transfer eligible cash distributions from any other employer sponsored plan qualified under Section 401 of the IRC into the Plan by a direct transfer from such other

plan.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Expenses

Expenses of administering the Plan are paid partly by the Company and partly by the Commingled Trust. The payment of Trustee's fees and brokerage commissions associated with the Company Stock Fund are paid by the Company. Expenses related to the asset management of the investment funds and the independent fiduciary of the Goodyear Stock Fund are paid from such funds which reduce the investment return reported and credited to participant accounts. Recordkeeping fees are paid from funds in which a participant invests.

The Professional Management Program offered by Advised Assets Group, LLC., an affiliate of Great-West Financial, is available to all participants. This program provides personalized portfolio management for participants who elect to delegate their investment decisions about fund choices within the Plan to a professional manager. Participation in the program is paid solely by enrolled participants. The expenses reduce the investment return reported and credited to enrolled participant accounts.

Termination Provisions

The Company anticipates and believes that the Plan will continue without interruption, but reserves the right to discontinue the Plan. In the event of termination, the obligation of the Company to make further contributions ceases. All participants' accounts would then be fully vested with respect to Company contributions.

NOTE 3 RELATED PARTY TRANSACTIONS

An affiliate of the Trustee serves as the fund manager of the S&P 500 Index and Russell 1000 Growth Index Funds which are offered as investment funds available to participants under the Plan.

The Goodyear Stock Fund is designed for investment in common stock of the Company, except for short-term investments needed for Plan operations. During 2017, the price per share of Goodyear common stock on The Nasdaq Stock Market ranged from \$28.81 to \$37.20. The closing price per share of Goodyear common stock on The Nasdaq Stock Market was \$32.31 at December 31, 2017 (\$30.87 at December 31, 2016). The common stock of Goodyear and a Short-Term Investments Fund are the current investments of this fund. The portion of this fund related to employer matching contributions is designated as an ESOP.

Table of Contents

## THE GOODYEAR TIRE &amp; RUBBER COMPANY

## EMPLOYEE SAVINGS PLAN

## FOR BARGAINING UNIT EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

## NOTE 4 TAX STATUS OF PLAN

The IRS has determined and informed the Company by a letter dated October 23, 2017 that the Plan is qualified and the trust established for the Plan is exempt from Federal Income Tax under the appropriate Sections of the IRC. The Company and Plan's tax counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## NOTE 5 SUBSEQUENT EVENT

Effective January 1, 2018, Company Retirement Contributions for participants of the Plan who had accrued benefits under the 1950 Pension Plan and are covered by the USW Master labor contract will increase from an age-based range of \$2,100 to \$8,000 per year to \$2,225 to \$8,500 per year.

## NOTE 6 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2017 and 2016 to the Form 5500:

(Dollars in Thousands)	2017	2016
Net Assets Available for Benefits per the Financial Statements	\$ 702,428	\$ 627,139
Adjustment from Contract Value to Fair Value for Fully Benefit-Responsive Investment Contracts	1,430	2,651
Amounts Allocated to Withdrawing Participants	(79)	(419)
Net Assets Available for Benefits per the Form 5500	\$ 703,779	\$ 629,371

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2017 to the Form 5500:

(Dollars in Thousands)

Edgar Filing: GOODYEAR TIRE & RUBBER CO /OH/ - Form 11-K

Benefits Paid to Participants per the Financial Statements	\$ 59,518
Amounts Allocated to Withdrawing Participants at December 31, 2017	79
Amounts Allocated to Withdrawing Participants at December 31, 2016	(419)
Benefits Paid to Participants per the Form 5500	\$ 59,178



**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to the plan year end, but not yet paid as of that date.

The following is a reconciliation of net investment gain from the Plan's interest in the Commingled Trust per the financial statements for the year ended December 31, 2017 to the Form 5500:

(Dollars in Thousands)	
Net Investment Gain from Plan's Interest in Commingled Trust per the Financial Statements	\$ 81,003
Impact of Reflecting Fully Benefit-Responsive Investment Contracts at Fair Value	(1,221)
Net Investment Gain from Plan's Interest in Commingled Trust per the Form 5500	\$ 79,782

Fully benefit-responsive investment contracts are recorded at fair value on the Form 5500.

NOTE 7 FINANCIAL DATA OF THE COMMINGLED TRUST

All of the Plan's investments are in the Commingled Trust, which was established for the investment of plan assets. Each participating plan has a divided interest in the Commingled Trust. At December 31, 2017 and 2016, the Plan's interest in the net assets of the Commingled Trust was approximately 24.75% and 25.6%, respectively.

**Table of Contents**

## THE GOODYEAR TIRE &amp; RUBBER COMPANY

## EMPLOYEE SAVINGS PLAN

## FOR BARGAINING UNIT EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

The Statements of Net Assets Available for Benefits of the Commingled Trust are as follows:

(Dollars in Thousands)	December 31, 2017		December 31, 2016	
	Plan's Interest in Commingled Trust	Plan's Interest in Commingled Trust	Plan's Interest in Commingled Trust	Plan's Interest in Commingled Trust
<b>Investments:</b>				
<b>Investments at Fair Value:</b>				
<b>Common Collective Trusts</b>				
JP Morgan Value Opportunities Fund	\$ 56,209	\$ 7,127	\$ 44,485	\$ 6,013
NT Collective S&P 500 Index Fund	515,934	128,239	432,300	109,955
JP Morgan ACWI Ex US Fund	210,862	47,384	157,710	36,079
NT Collective Russell 1000 Growth Index Fund	112,729	20,967		
Victory Cap Collective Trust Large Cap Growth Fund			55,561	10,719
Vanguard Fiduciary Trust Target Retirement Income Fund	24,964	5,327	23,846	5,113
Vanguard Fiduciary Trust Target Retirement 2015 Fund	60,070	11,979	56,419	10,210
Vanguard Fiduciary Trust Target Retirement 2025 Fund	284,521	67,621	225,730	53,895
Vanguard Fiduciary Trust Target Retirement 2035 Fund	206,194	53,279	147,921	38,516
Vanguard Fiduciary Trust Target Retirement 2045 Fund	178,058	48,924	136,221	38,208
Vanguard Fiduciary Trust Target Retirement 2055 Fund	30,441	6,388	15,816	3,428
Western Asset Core Plus Bond Fund	119,475	26,237	106,699	23,850
Victory Small Cap Value Collective Fund	26,589	3,266	23,002	2,673
Fidelity Managed Income Portfolio Fund	7,610			
Short-Term Investments	33,032	9,190	40,127	11,272
<b>Mutual Funds</b>				
Carillon Eagle Growth & Income Fund	77,072	14,879		
Eagle Small Capitalization Growth Fund			74,905	16,241
Charles Schwab Self Directed Account Mutual Funds	57,366	20,013	52,196	19,425
	101,153	30,578	110,195	32,563

**Common Stock of The Goodyear Tire & Rubber Company**

Total Investments at Fair Value	2,102,279	501,398	1,703,133	418,160
Investments at Contract Value:				
Investment Contracts (See Note 9)	630,232	174,828	670,763	189,057
<b>Total Investments</b>	<b>2,732,511</b>	<b>676,226</b>	<b>2,373,896</b>	<b>607,217</b>
Receivables:				
Accrued Interest and Dividends	1,127	310	1,124	317
<b>Total Receivables</b>	<b>1,127</b>	<b>310</b>	<b>1,124</b>	<b>317</b>
<b>Total Assets</b>	<b>2,733,638</b>	<b>676,536</b>	<b>2,375,020</b>	<b>607,534</b>
Liabilities:				
Administrative Expenses Payable	(2,340)	(556)	(3,528)	(874)
Pending Sales	(1,160)	(322)	(4,690)	(1,229)
<b>Total Liabilities</b>	<b>(3,500)</b>	<b>(878)</b>	<b>(8,218)</b>	<b>(2,103)</b>
<b>Net Assets Available for Benefits</b>	<b>\$ 2,730,138</b>	<b>\$ 675,658</b>	<b>\$ 2,366,802</b>	<b>\$ 605,431</b>

Table of Contents

## THE GOODYEAR TIRE &amp; RUBBER COMPANY

## EMPLOYEE SAVINGS PLAN

## FOR BARGAINING UNIT EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

Net investment gain for the Commingled Trust is as follows:

(Dollars in Thousands)	<b>Year Ended December 31, 2017</b>
Net Appreciation in Fair Value of Investments	\$ 324,277
Interest and Dividends	15,930
Investment Gain	340,207
Administrative Expenses	(2,366)
<b>Net Investment Gain</b>	<b>\$ 337,841</b>

## NOTE 8 FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

Level 1 Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The Commingled Trust's assets measured at fair value on a recurring basis are as follows:

Edgar Filing: GOODYEAR TIRE & RUBBER CO /OH/ - Form 11-K

(Dollars in Thousands)	December 31, 2017			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 134,438	\$	\$	\$ 134,438
Common Stock	101,153			101,153
<b>Total Assets in the Fair Value Hierarchy</b>	<b>\$ 235,591</b>	<b>\$</b>	<b>\$</b>	<b>235,591</b>
Investments Measured at Net Asset Value:				
Common Collective Trusts				1,866,688
Total Investments at Fair Value				\$ 2,102,279

**Table of Contents**

## THE GOODYEAR TIRE &amp; RUBBER COMPANY

## EMPLOYEE SAVINGS PLAN

## FOR BARGAINING UNIT EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 127,101	\$	\$	\$ 127,101
Common Stock	110,195			110,195
<b>Total Assets in the Fair Value Hierarchy</b>	<b>\$ 237,296</b>	<b>\$</b>	<b>\$</b>	<b>237,296</b>
Investments Measured at Net Asset Value:				
Common Collective Trusts				1,465,837
Total Investments at Fair Value				\$ 1,703,133

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Investments that were measured at net asset value ( NAV ) per share are not classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to total investments at fair value of the Commingled Trust. Valuation methodologies used for assets measured at fair value are as follows:

*Mutual Funds:* Valued at the NAV of shares held by the Commingled Trust at year end, as determined by the closing price reported on the active market on which the individual securities are traded.

*Common Stock:* Valued at the year-end closing price reported on the active market on which the individual securities are traded.

*Common Collective Trusts:* Valued at the NAV of units held by the Commingled Trust at year end. The NAV, as provided by the trustee of each common collective trust fund, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by each fund less its liabilities. This practical expedient would not be used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. If the plan were to initiate a full redemption of any common collective trust, each investment advisor reserves the right to temporarily delay withdrawal to ensure that securities liquidation will be carried out in an orderly business manner. The common collective trust funds had a fair value of approximately \$1,866,688,000 and \$1,465,837,000 as of December 31, 2017 and 2016, respectively, with no unfunded commitments, daily pricing frequency, and full redemption notice periods that extend no greater than 30 days.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 9 INVESTMENT CONTRACTS

One investment fund available under the Commingled Trust is the Stable Value Fund, which has entered into benefit-responsive guaranteed investment contracts and wrapper contracts with various financial institutions. The Stable Value Fund is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The value of the Commingled Trust's investment in the Stable Value Fund was approximately \$630,232,000 and \$670,763,000 as of December 31, 2017 and 2016, respectively.

As described in Note 1, because the guaranteed investment contracts held by the Commingled Trust are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the Commingled Trust by the manager of the Stable Value Fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuers or otherwise. The crediting interest rate is based on a formula agreed upon individually with the issuers.

The Stable Value Fund has purchased wrapper contracts from the financial institutions. The wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for underlying investments). The issuers of the wrapper contracts provide assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Commingled Trust elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. The events described above that could result in the payment of benefits at market value rather than contract value are not probable of occurring in the foreseeable future.



**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

The wrapper contracts do not permit the issuers to terminate the contracts unless the Plan loses its qualified status, has incurred material breaches of responsibilities, or material and adverse changes occur to the provisions of the Plan.

**Table of Contents**

THE GOODYEAR TIRE & RUBBER COMPANY

EMPLOYEE SAVINGS PLAN

FOR BARGAINING UNIT EMPLOYEES

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2017

Employer Identification Number: 34-0253240, Plan Number: 006

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower	lessor or similar party	Description of investment	Cost	Current Value
		including maturity date, rate of interest, collateral par, or maturity value		
*	Notes Receivable from Participants	4.25% - 5.25%	\$	\$26,712,776

Note: This schedule excludes the Plan's interest in the Commingled Trust, which is not required to be reported on the schedule pursuant to the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

\* Represents a party-in-interest to the Plan, as defined by ERISA.