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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended June 30, 2008**

**Commission File Number: 1-1927**

**THE GOODYEAR TIRE & RUBBER COMPANY**

(Exact Name of Registrant as Specified in Its Charter)

**Ohio**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**34-0253240**  
(I.R.S. Employer  
Identification No.)

**1144 East Market Street, Akron, Ohio**  
(Address of Principal Executive Offices)

**44316-0001**  
(Zip Code)

**(330) 796-2121**  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒

No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐

No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Number of Shares of Common Stock,  
Without Par Value, Outstanding at June 30, 2008:

241,141,416

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## PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS.

#### THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
<i>(In millions, except per share amounts)</i>				
<b>NET SALES</b>	<b>\$ 5,239</b>	<b>\$ 4,921</b>	<b>\$ 10,181</b>	<b>\$ 9,420</b>
Cost of Goods Sold	4,196	3,967	8,157	7,708
Selling, Administrative and General Expense	735	692	1,370	1,355
Rationalizations (Note 2)	87	7	100	22
Interest Expense	76	120	165	245
Other (Income) and Expense (Note 3)	(22)	39	(28)	19
Income from Continuing Operations before Income Taxes and Minority Interest	167	96	417	71
United States and Foreign Taxes	74	51	151	114
Minority Interest	18	16	44	38
Income (Loss) from Continuing Operations	75	29	222	(81)
Discontinued Operations	—	27	—	(37)
<b>NET INCOME (LOSS)</b>	<b>\$ 75</b>	<b>\$ 56</b>	<b>\$ 222</b>	<b>\$ (118)</b>
<b>Income (Loss) Per Share — Basic</b>				
Income (Loss) from Continuing Operations	\$ 0.31	\$ 0.15	\$ 0.92	\$ (0.43)
Discontinued Operations	—	0.13	—	(0.20)
<b>Net Income (Loss) Per Share — Basic</b>	<b>\$ 0.31</b>	<b>\$ 0.28</b>	<b>\$ 0.92</b>	<b>\$ (0.63)</b>
Weighted Average Shares Outstanding (Note 4)	241	196	240	188
<b>Income (Loss) Per Share — Diluted</b>				
Income (Loss) from Continuing Operations	\$ 0.31	\$ 0.14	\$ 0.91	\$ (0.43)
Discontinued Operations	—	0.12	—	(0.20)
<b>Net Income (Loss) Per Share — Diluted</b>	<b>\$ 0.31</b>	<b>\$ 0.26</b>	<b>\$ 0.91</b>	<b>\$ (0.63)</b>
Weighted Average Shares Outstanding (Note 4)	243	231	244	188

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

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(In millions)</i>	<b>June 30, 2008</b>	<b>December 31, 2007</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 2,069	\$ 3,463
Restricted Cash	181	191
Accounts Receivable, less Allowance — \$93 (\$88 in 2007)	3,630	3,103
Inventories:		
Raw Materials	675	591
Work in Process	153	147
Finished Products	3,105	2,426
	3,933	3,164
Prepaid Expenses and Other Current Assets	292	251
<b>Total Current Assets</b>	<b>10,105</b>	<b>10,172</b>
Goodwill	784	713
Intangible Assets	165	167
Deferred Income Tax	76	83
Other Assets	436	458
Property, Plant and Equipment less Accumulated Depreciation — \$8,730 (\$8,329 in 2007)	5,928	5,598
<b>Total Assets</b>	<b><u>\$17,494</u></b>	<b><u>\$ 17,191</u></b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable-Trade	\$ 2,787	\$ 2,422
Compensation and Benefits	930	897
Other Current Liabilities	812	753
United States and Foreign Taxes	235	196
Notes Payable and Overdrafts (Note 7)	300	225
Long Term Debt and Capital Leases due within one year (Note 7)	101	171
<b>Total Current Liabilities</b>	<b>5,165</b>	<b>4,664</b>
Long Term Debt and Capital Leases (Note 7)	3,668	4,329
Compensation and Benefits	3,245	3,404
Deferred and Other Noncurrent Income Taxes	305	274
Other Long Term Liabilities	657	667
Minority Equity in Subsidiaries	1,101	1,003
<b>Total Liabilities</b>	<b>14,141</b>	<b>14,341</b>
Commitments and Contingent Liabilities (Note 10)		
<b>Shareholders' Equity:</b>		
Preferred Stock, no par value:		
Authorized, 50 shares, unissued	—	—
Common Stock, no par value:		
Authorized, 450 shares, Outstanding shares – 241 (240 in 2007) after deducting 10 treasury shares (10 in 2007)	241	240
Capital Surplus	2,694	2,660
Retained Earnings	1,824	1,602
Accumulated Other Comprehensive Loss	(1,406)	(1,652)
<b>Total Shareholders' Equity</b>	<b>3,353</b>	<b>2,850</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$17,494</u></b>	<b><u>\$ 17,191</u></b>

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

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net Income (Loss)	\$ 75	\$ 56	\$ 222	\$ (118)
Other Comprehensive Income (Loss):				
Defined benefit plans:				
Prior service credit from plan amendment during period	—	—	—	501
Less: Minority interest	—	—	—	(3)
Amortization of prior service cost and unrecognized gains and losses included in net periodic benefit cost	32	41	65	97
Less: Taxes	(2)	(6)	(3)	(13)
Minority interest	(2)	(3)	(4)	(6)
(Increase) decrease in net actuarial losses	(3)	(12)	(3)	20
Less: Minority interest	—	3	—	2
Immediate recognition of prior service cost and unrecognized gains and losses due to curtailments, settlements and divestitures	1	—	1	133
	26	23	56	731
Foreign currency translation gain	11	102	197	146
Unrealized investment gain (loss)	(2)	4	(7)	(3)
<b>Comprehensive Income</b>	<b>\$ 110</b>	<b>\$ 185</b>	<b>\$ 468</b>	<b>\$ 756</b>

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

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(In millions)	Six Months Ended June 30,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income (Loss)	\$ 222	\$ (118)
Less: Discontinued operations	—	(37)
<b>Income (Loss) from Continuing Operations</b>	<b>222</b>	<b>(81)</b>
Adjustments to reconcile income (loss) from continuing operations to cash flows from operating activities:		
Depreciation and amortization	318	300
Amortization and write-off of debt issuance costs	19	33
Deferred tax provision	13	(4)
Net rationalization charges (Note 2)	100	22
Net gains on asset sales	(37)	(19)
Fire loss expense	2	12
Minority interest and equity earnings	45	38
Pension contributions and direct payments	(162)	(265)
Rationalization payments	(28)	(44)
Insurance recoveries	9	—
Changes in operating assets and liabilities, net of asset acquisitions and dispositions:		
Accounts receivable	(398)	(505)
Inventories	(684)	(271)
Accounts payable — trade	361	134
Compensation and benefits	58	220
Other assets and liabilities	(53)	(83)
<b>TOTAL OPERATING CASH FLOWS FROM CONTINUING OPERATIONS</b>	<b>(215)</b>	<b>(513)</b>
Discontinued operations	—	5
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(215)</b>	<b>(508)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(476)	(227)
Asset dispositions	40	33
Asset acquisitions (Note 5)	(46)	—
Decrease in restricted cash	10	23
<b>TOTAL INVESTING CASH FLOWS FROM CONTINUING OPERATIONS</b>	<b>(472)</b>	<b>(171)</b>
Discontinued operations	—	(25)
<b>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(472)</b>	<b>(196)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Short term debt and overdrafts incurred	60	39
Short term debt and overdrafts paid	(30)	(57)
Long term debt incurred	3	374
Long term debt paid	(787)	(2,141)
Debt issuance costs	—	(17)
Common stock issued	5	940
Dividends paid to minority shareholders	(2)	(9)
Other transactions	6	—
<b>TOTAL FINANCING CASH FLOWS FROM CONTINUING OPERATIONS</b>	<b>(745)</b>	<b>(871)</b>
Discontinued operations	—	(12)
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(745)</b>	<b>(883)</b>
Net Change in Cash of Discontinued Operations	—	32
Effect of exchange rate changes on cash and cash equivalents	38	21
<b>Net Change in Cash and Cash Equivalents</b>	<b>(1,394)</b>	<b>(1,534)</b>

Cash and Cash Equivalents at Beginning of the Period	<u>3,463</u>	<u>3,862</u>
Cash and Cash Equivalents at End of the Period	<u><u>\$ 2,069</u></u>	<u><u>\$ 2,328</u></u>

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

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1. ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared by The Goodyear Tire & Rubber Company (“Goodyear”, “we”, “us” or “our”) in accordance with Securities and Exchange Commission rules and regulations and in the opinion of management contain all adjustments (including normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. 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 financial statements and accompanying notes. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2007 (the “2007 Form 10-K”).

Operating results for the three and six month periods ended June 30, 2008 are not necessarily indicative of the results expected in subsequent quarters or for the year ending December 31, 2008.

During the first quarter of 2008, we formed a new strategic business unit, Europe, Middle East and Africa Tire (“EMEA”), by combining our former European Union Tire and Eastern Europe, Middle East and Africa Tire business units and have aligned the external presentation of results with the current management and operating structure. Prior periods have been restated for this change.

The results of operations, financial position and cash flows of our former Engineered Products business, which was previously a reportable operating segment and was sold July 31, 2007, have been reported as discontinued operations for all periods presented. Unless otherwise indicated, all disclosures in the notes to the unaudited interim consolidated financial statements relate to our continuing operations.

**Fair Value Measurements**

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS No. 157”). SFAS No. 157 addresses how companies should measure fair value when they are required to use a fair value measure for recognition and disclosure purposes under generally accepted accounting principles. SFAS No. 157 requires the fair value of an asset or liability to be based on market-based measures which will reflect the credit risk of the company. SFAS No. 157 also expanded disclosure requirements to include the methods and assumptions used to measure fair value and the effect of fair value measures on earnings. The adoption of SFAS No. 157 effective January 1, 2008 did not have a material impact on our consolidated financial statements.

**Valuation Hierarchy**

SFAS No. 157 establishes a three-level hierarchy for fair value measurements. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability 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 classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows.



**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

*Investments*

Where quoted prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government bonds, certain mortgage products and exchange-traded equities. If quoted market prices are not available, fair values are estimated using quoted prices of securities with similar characteristics or inputs other than quoted prices that are observable for the security, and would be classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities would be classified within Level 3 of the valuation hierarchy.

*Derivative Financial Instruments*

Exchange-traded derivative financial instruments that are valued using quoted prices would be classified within Level 1 of the valuation hierarchy. Derivative financial instruments valued using internally-developed models that use as their basis readily observable market parameters are classified within Level 2 of the valuation hierarchy. Derivative financial instruments that are valued based upon models with significant unobservable market parameters, and that are normally traded less actively, would be classified within Level 3 of the valuation hierarchy.

Refer to Note 6 for the presentation of assets and liabilities recorded at fair value in the Consolidated Balance Sheets.

In February 2008, the FASB issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157." The FSP defers the provisions of SFAS No. 157 with respect to nonfinancial assets and nonfinancial liabilities that are measured at fair value on a nonrecurring basis subsequent to initial recognition until fiscal years beginning after November 15, 2008. Items in this classification include goodwill, asset retirement obligations, rationalization accruals, intangible assets with indefinite lives, guarantees and certain other items. We are evaluating our methods used in making those measurements and assessing the impact that these provisions may have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115" ("SFAS No. 159"). SFAS No. 159 permits a company to choose to measure many financial instruments and other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing a company with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. A company reports unrealized gains and losses in earnings at each subsequent reporting date on items for which the fair value option has been elected. We did not elect the fair value measurement option for any of our existing financial instruments other than those that are already being measured at fair value. As such, the adoption of SFAS No. 159 effective January 1, 2008 did not have a material impact on our consolidated financial statements.

**Reclassifications**

Certain items previously reported in specific financial statement captions have been reclassified to conform to the current presentation.

**Recently Issued Accounting Standards**

In December 2007, the FASB issued SFAS No. 141 (Revised), "Business Combinations" ("SFAS No. 141 (R)"), replacing SFAS No. 141, "Business Combinations" ("SFAS No. 141"), and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 141(R) retains the fundamental requirements of SFAS No. 141, broadens its scope by applying the acquisition method to all transactions and other events in which one entity obtains control over one or more other businesses, and requires, among other things, that assets acquired and liabilities assumed be measured at fair value as of the acquisition date, that liabilities related to contingent consideration be recognized at the acquisition date and remeasured at fair value in each subsequent reporting period, that acquisition-related costs be expensed as incurred, and that income be recognized if the fair value of the net assets acquired exceeds the fair value of the consideration transferred. SFAS No. 160 establishes accounting and reporting standards for noncontrolling interests (i.e., minority interests) in a subsidiary, including changes in a parent's ownership interest in a subsidiary and requires, among other things, that noncontrolling interests in subsidiaries be classified as a separate component of equity. Except for the presentation and disclosure requirements of SFAS No. 160, which are to be applied retrospectively for all periods presented, SFAS No. 141 (R) and SFAS No. 160 are to be applied prospectively in financial statements issued for fiscal years

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

beginning after December 15, 2008. We are currently assessing the impact SFAS No. 141 (R) and SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS No. 161 requires companies with derivative instruments to disclose information that would enable financial statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. The new requirements apply to derivative instruments and nonderivative instruments that are designated and qualify as hedging instruments and related hedged items accounted for under SFAS No. 133. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008; however, early application is encouraged. We plan to adopt SFAS No. 161 in the first quarter of 2009 and will be reporting the required disclosures in our Form 10-Q for the period ending March 31, 2009.

In April 2008, the FASB issued Staff Position FSP FAS 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP FAS 142-3"). The FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets". The intent of the FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under other accounting principles generally accepted in the United States of America. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The guidance for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after the effective date. Certain disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date.

In May 2008, the FASB issued Staff Position APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). The FSP specifies that issuers of convertible debt instruments that may be settled in cash upon conversion should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is not permitted. The FSP is to be applied retrospectively. In July 2004, we issued \$350 million of 4% convertible senior notes due 2034, and subsequently exchanged \$346 million of those notes for common stock and a cash payment in December 2007. The remaining \$4 million of notes were converted into common stock in May 2008. We are currently assessing the impact that FSP APB 14-1 will have on our consolidated financial statements.

**NOTE 2. COSTS ASSOCIATED WITH RATIONALIZATION PROGRAMS**

To maintain global competitiveness, we have implemented rationalization actions over the past several years for the purpose of reducing excess and high-cost manufacturing capacity and to reduce associate headcount. As part of that strategy, in the second quarter of 2008, we announced plans to close our Somerton, Australia manufacturing facility by December 31, 2008. As a result, we recorded \$72 million of charges primarily for employee severance related to the closure in our second quarter 2008 results. In addition, we completed discussions with employee unions related to our Amiens, France tire plants and as a result have increased our previously recorded rationalization reserve for employee severance by \$7 million in the second quarter of 2008. The net rationalization charges included in Income (Loss) from Continuing Operations before Income Taxes and Minority Interest are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
(In millions)				
New charges	\$ 87	\$ 11	\$ 101	\$ 28
Reversals	—	(4)	(1)	(6)
	<u>\$ 87</u>	<u>\$ 7</u>	<u>\$ 100</u>	<u>\$ 22</u>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following table shows the reconciliation of our liability between periods:

<i>(In millions)</i>	<b>Associate- Related Costs</b>	<b>Other Than Associate-Related Costs</b>	<b>Total</b>
<b>Balance at December 31, 2007</b>	<b>\$ 56</b>	<b>\$ 6</b>	<b>\$ 62</b>
First quarter charges	4	10	14
Incurred	(12)	(7)	(19)
Reversed to the statement of operations	(1)	—	(1)
<b>Balance at March 31, 2008</b>	<b>\$ 47</b>	<b>\$ 9</b>	<b>\$ 56</b>
Second quarter charges	85	2	87
Incurred	(9)	(2)	(11)
<b>Balance at June 30, 2008</b>	<b>\$ 123</b>	<b>\$ 9</b>	<b>\$ 132</b>

During the second quarter of 2008, \$87 million (\$83 million after-tax or \$0.34 per share) of net charges were recorded. New charges of \$87 million represent \$76 million for plans initiated in 2008 and \$11 million for plans initiated in 2007 and prior years. New charges for the 2008 plans include \$75 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$75 million related to future cash outflows and \$1 million for non-cash pension curtailments. New charges for the 2007 and prior year plans include \$10 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$11 million related to future cash outflows.

For the first six months of 2008, \$100 million (\$95 million after-tax or \$0.39 per share) of net charges were recorded. New charges of \$101 million were comprised of \$78 million for plans initiated in 2008 and \$23 million for plans initiated in 2007 and prior years. New charges for the 2008 plans include \$77 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$77 million related to future cash outflows and \$1 million for non-cash pension curtailments. The \$23 million of new charges for 2007 and prior year plans consist of \$12 million of associate-related costs and \$11 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$19 million related to future cash outflows and \$4 million for other non-cash exit costs. The first six months of 2008 includes the reversal of \$1 million of reserves for actions no longer needed for their originally-intended purposes. Approximately 700 associates will be released under programs initiated in 2008, most of whom will be released within the next 12 months.

The accrual balance of \$132 million at June 30, 2008 includes approximately \$9 million related to long-term non-cancelable lease costs and approximately \$123 million of associate-related costs that are expected to be substantially utilized within the next twelve months.

Accelerated depreciation charges of \$4 million were recorded as Cost of Goods Sold in the three and six months ended June 30, 2008, respectively, related to our plan to close our Somerton, Australia tire manufacturing facility. Accelerated depreciation charges of \$8 million and \$25 million were recorded as Cost of Goods Sold in the three and six months ended June 30, 2007, respectively, for fixed assets that were taken out of service primarily in connection with the elimination of tire production at our Valleyfield, Quebec and Tyler, Texas tire plants.

During the second quarter of 2007, \$7 million (\$7 million after-tax or \$0.03 per share) of net charges were recorded. New charges of \$11 million for plans initiated in 2006 were recorded and include \$3 million of associate severance costs and \$8 million primarily for other exit costs and non-cancelable lease costs. The second quarter of 2007 includes the reversal of \$4 million of reserves for rationalization actions no longer needed for their originally-intended purposes.

For the first six months of 2007, \$22 million (\$21 million after-tax or \$0.11 per share) of net charges were recorded. New charges of \$28 million were comprised of \$5 million for plans initiated in 2007 and \$23 million for plans initiated in 2006. New charges of \$5 million for the 2007 plans related to associate severance costs. The \$23 million of new charges for 2006 plans consist of \$7 million of associate-related costs and \$16 million primarily for other exit costs and non-cancelable lease costs. The first six months of 2007 includes the reversal of \$6 million of reserves for actions no longer needed for their originally-intended purposes. Approximately 700 associates remain to be released under programs initiated in 2007 and prior years.

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**NOTE 3. OTHER (INCOME) AND EXPENSE**

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net gains on asset sales	\$ (4)	\$ (10)	\$ (37)	\$ (19)
Interest income	(18)	(26)	(47)	(56)
Financing fees	9	56	62	67
Insurance fire loss expense	—	5	2	12
Foreign currency exchange	(6)	12	2	14
General & product liability - discontinued products (Note 10)	1	4	6	8
Equity in earnings of affiliates	—	(1)	—	(3)
Miscellaneous	(4)	(1)	(16)	(4)
	<u>\$ (22)</u>	<u>\$ 39</u>	<u>\$ (28)</u>	<u>\$ 19</u>

Other (Income) and Expense was \$22 million of income in the second quarter of 2008, compared to \$39 million of expense in the second quarter of 2007. Net gains on asset sales were \$4 million and \$10 million in the 2008 and 2007 periods, respectively, related primarily to the sale of properties in Germany in 2008 and Canada in 2007. Interest income decreased by \$8 million due primarily to lower cash balances. Financing fees decreased by \$47 million due primarily to the inclusion in the 2007 period of charges totaling \$47 million related to refinancing activities and debt redemption. Fire loss expense in 2007 included expenses related to a fire at our tire manufacturing facility in Thailand. The impact of foreign currency exchange improved by \$18 million due primarily to the effect of changing exchange rates on foreign currency denominated transactions in Chile and Colombia. Miscellaneous items include royalties from licensing arrangements related to divested businesses, including recognition of deferred income from a trademark licensing agreement related to our Engineered Products business that was divested in the third quarter of 2007.

Other (Income) and Expense was \$28 million of income in the first six months of 2008, compared to \$19 million of expense in the first six months of 2007. Net gains on asset sales were \$37 million in 2008 and \$19 million in 2007, related primarily to the sale of properties in Germany, Morocco, Argentina and New Zealand in 2008 and Canada and Australia in 2007. Interest income decreased by \$9 million due primarily to lower cash balances. Financing fees included charges of \$43 million and \$47 million in the first six months of 2008 and 2007, respectively, related to refinancing activities and debt redemption. Fire loss expense in 2007 included expenses related to a fire at our tire manufacturing facility in Thailand. The impact of foreign currency exchange improved by \$12 million due primarily to the impact of changing exchange rates on foreign currency denominated transactions in Chile, Colombia and Turkey. Miscellaneous items include royalties from licensing arrangements related to divested businesses, including recognition of deferred income from a trademark licensing agreement related to our Engineered Products business that was divested in the third quarter of 2007.

**NOTE 4. PER SHARE OF COMMON STOCK**

Basic earnings per share are computed based on the weighted average number of common shares outstanding.

There were contingent conversion features included in the indenture governing our \$350 million 4% convertible senior notes due 2034 (the "convertible notes"), issued on July 2, 2004. On December 10, 2007, \$346 million of convertible notes were exchanged for approximately 28.7 million shares of Goodyear common stock plus a cash payment. During the second quarter of 2008, the remaining \$4 million of convertible notes were converted into approximately 0.3 million shares of Goodyear common stock.

The following table presents the number of incremental weighted average shares used in computing diluted per share amounts:

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(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Average shares outstanding — basic	241	196	240	188
4% Convertible Senior Notes due 2034	—	29	—	—
Stock Options and other dilutive securities	2	6	4	—
Average shares outstanding — diluted	<u>243</u>	<u>231</u>	<u>244</u>	<u>188</u>

Weighted average shares outstanding — diluted for the six months ended June 30, 2007, excluded approximately 29 million contingently issuable shares as their inclusion would have been anti-dilutive due to the net loss for that period. Also, approximately 11 million equivalent shares for the six months ended June 30, 2007 related to options with exercise prices less than the average market price of our common shares (i.e. “in-the-money” options) were excluded as their inclusion would have been anti-dilutive because of the net loss for that period.

Additionally, weighted average shares outstanding — diluted excluded approximately 9 million equivalent shares for the three and six months ended June 30, 2008, respectively, and excluded approximately 5 million and 7 million equivalent shares for the three and six months ended June 30, 2007, respectively, related to options with exercise prices greater than the average market price of our common shares (i.e. “underwater” options).

The following table presents the computation of adjusted income (loss) from continuing operations and adjusted income (loss) used in computing income (loss) from continuing operations - per share diluted and Net Income (Loss) Per Share — Diluted, respectively. The computation of adjusted income (loss) from continuing operations assumes that after-tax interest costs incurred on the convertible notes would have been avoided had the convertible notes been converted as of April 1 for the three months ended June 30, 2007. Adjusted income (loss) for the six months ended June 30, 2007 did not include the after-tax interest costs as the convertible notes were anti-dilutive due to the loss from continuing operations. Adjusted income (loss) for the three and six months ended June 30, 2008 does not include the after-tax interest costs as substantially all of the convertible notes were exchanged in December 2007.

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Income (Loss) from continuing operations	\$ 75	\$ 29	\$ 222	\$ (81)
After-tax impact of 4% Convertible Senior Notes due 2034	—	4	—	—
Adjusted Income (Loss) from continuing operations	75	33	222	(81)
Discontinued Operations	—	27	—	(37)
Adjusted Income (Loss)	<u>\$ 75</u>	<u>\$ 60</u>	<u>\$ 222</u>	<u>\$ (118)</u>

**NOTE 5. INVESTMENTS**

***Investments***

In March 2008, we acquired an additional 6.12% ownership interest in our tire manufacturing subsidiary in Poland by purchasing outstanding shares held by minority shareholders for \$46 million. As a result of the acquisition, we recorded goodwill totaling \$28 million.

***Statement of Cash Flows***

Cash flows from investing activities in the first six months of 2008 exclude \$98 million of capital expenditures that remain unpaid and accrued for at June 30, 2008.

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**NOTE 6. FAIR VALUE MEASUREMENTS**

The following table presents information about assets and liabilities recorded at fair value at June 30, 2008 on the Consolidated Balance Sheet:

<i>(In millions)</i>	<u>Total Carrying Value in the Consolidated Balance Sheet</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets:</b>				
Investments	\$ 43	\$ 43	\$ —	\$ —
Derivative Financial Instruments	<u>15</u>	<u>—</u>	<u>5</u>	<u>10</u>
Total Assets at Fair Value	<u><u>\$ 58</u></u>	<u><u>\$ 43</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 10</u></u>
<b>Liabilities:</b>				
Derivative Financial Instruments	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 16</u>	<u>\$ —</u>
Total Liabilities at Fair Value	<u><u>\$ 16</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ —</u></u>

Derivative financial instrument valuations classified as Level 3 include an embedded currency derivative in long-dated operating leases. The valuation is based on an extrapolation of forward rates to the assumed expiration of the leases. Other (Income) and Expense in the three and six months ended June 30, 2008 included a gain of \$2 million and \$4 million, respectively, resulting from the change in the fair value of the embedded derivative.

The following table presents supplemental fair value information about long term fixed rate debt, including capital leases, at June 30, 2008 and December 31, 2007.

<i>(In millions)</i>	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Carrying amount — liability	\$1,529	\$2,074
Fair value — liability	1,525	2,172

The fair value was estimated using quoted market prices or discounted future cash flows. At June 30, 2008, the fair value approximated the carrying value. The fair value exceeded the carrying amount at December 31, 2007 due primarily to lower market interest rates.

The following table presents supplemental fair value information about long term variable rate debt at June 30, 2008 and December 31, 2007.

<i>(In millions)</i>	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Carrying amount — liability	\$2,540	\$2,651
Fair value — liability	2,427	2,594

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The fair value was estimated using quoted market prices or discounted future cash flows. At June 30, 2008, the carrying amount of our variable rate debt exceeds the fair value due to the tighter U.S. credit markets. The fair value of our variable rate debt at December 31, 2007 approximated its carrying amount.

**NOTE 7. FINANCING ARRANGEMENTS**

At June 30, 2008, we had total credit arrangements totaling \$6,838 million, of which \$2,278 million were unused, compared to \$7,392 million and \$2,169 million, respectively, at December 31, 2007.

*Notes Payable and Overdrafts, Long Term Debt and Capital Leases due Within One Year and Short Term Financing Arrangements*

At June 30, 2008, we had short term committed and uncommitted credit arrangements totaling \$611 million, of which \$311 million was unused, compared to \$564 million and \$339 million, respectively, at December 31, 2007. These arrangements are available primarily to certain of our international subsidiaries through various banks at quoted market interest rates. There are no commitment fees associated with these arrangements.

The following table presents amounts due within one year:

<i>(In millions)</i>	<b>June 30, 2008</b>	<b>December 31, 2007</b>
<b>Notes payable and overdrafts</b>	<b><u>\$ 300</u></b>	<b><u>\$ 225</u></b>
Weighted average interest rate	7.36%	6.90%
<b>Long term debt and capital leases due within one year:</b>		
6 3/8% due 2008	\$ —	\$ 100
Other (including capital leases)	<u>101</u>	<u>71</u>
	<b><u>\$ 101</u></b>	<b><u>\$ 171</u></b>
Weighted average interest rate	5.75%	6.57%
<b>Total obligations due within one year</b>	<b><u>\$ 401</u></b>	<b><u>\$ 396</u></b>

*Long Term Debt and Capital Leases and Financing Arrangements*

At June 30, 2008, we had long term credit arrangements totaling \$6,227 million, of which \$1,967 million were unused, compared to \$6,828 million and \$1,830 million, respectively, at December 31, 2007.

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The following table presents long term debt and capital leases, net of unamortized discounts, and interest rates:

(In millions)	June 30, 2008		December 31, 2007	
	Amount	Interest Rate	Amount	Interest Rate
<b>Notes:</b>				
6 3/8% due 2008	\$ —	—	\$ 100	6 3/8%
Floating rate notes due 2009	498	6.68%	497	8.66%
7 6/7% due 2011	650	7 6/7%	650	7 6/7%
8.625% due 2011	325	8.625%	325	8.625%
Floating rate notes due 2011	—	—	200	13.71%
11% due 2011	—	—	449	11.25%
9% due 2015	260	9%	260	9%
7% due 2028	149	7%	149	7%
4% Convertible Senior Notes due 2034	—	—	4	4%
<b>Bank term loans:</b>				
\$1.2 billion second lien term loan facility due 2014	1,200	4.54%	1,200	6.43%
Pan-European accounts receivable facility due 2009	434	5.69%	403	5.75%
Other domestic and international debt <sup>(1)</sup>	215	8.10%	223	7.65%
	3,731		4,460	
Capital lease obligations	38		40	
	3,769		4,500	
Less portion due within one year	(101)		(171)	
	<u><b>\$ 3,668</b></u>		<u><b>\$ 4,329</b></u>	

(1) Interest rate for both June 30, 2008 and December 31, 2007, is the weighted average interest rate.

**NOTES**

On March 3, 2008, we redeemed \$450 million in aggregate principal amount of our 11% senior secured notes due 2011 at a redemption price of 105.5% of the principal amount thereof and \$200 million in aggregate principal amount of our senior secured floating rate notes due 2011 at a redemption price of 104% of the principal amount thereof, plus in each case accrued and unpaid interest to the redemption date.

On March 17, 2008, we repaid our \$100 million 6 3/8% senior notes at their maturity.

During the second quarter of 2008, the remaining \$4 million of convertible notes were converted into approximately 0.3 million shares of Goodyear common stock.

**CREDIT FACILITIES**

***\$1.5 Billion Amended and Restated First Lien Revolving Credit Facility due 2013***

On April 20, 2007, we amended and restated our first lien revolving credit facility. This facility is available in the form of loans or letters of credit, with letter of credit availability limited to \$800 million. Subject to the consent of the lenders whose commitments are to be increased, we may request that the facility be increased by up to \$250 million. Our obligations under the facility are guaranteed by most of our wholly-owned U.S. and Canadian subsidiaries. Our obligations under the facility and our subsidiaries' obligations under the related guarantees are secured by first priority security interests in a variety of collateral.

At June 30, 2008, there were no borrowings and \$517 million of letters of credit issued under the revolving credit facility. At December 31, 2007, there were no borrowings and \$526 million of letters of credit issued under the revolving credit facility.



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*\$1.2 Billion Amended and Restated Second Lien Term Loan Facility due 2014*

On April 20, 2007, we amended and restated our second lien term loan facility. Our obligations under this facility are guaranteed by most of our wholly-owned U.S. and Canadian subsidiaries and are secured by second priority security interests in the same collateral securing the \$1.5 billion first lien revolving credit facility. At June 30, 2008 and December 31, 2007, this facility was fully drawn.

*€505 Million Amended and Restated Senior Secured European Revolving Credit Facilities due 2012*

On April 20, 2007, we amended and restated our facilities, which now consist of a €350 million European revolving credit facility, with a €50 million letter of credit sublimit, and a €155 million German revolving credit facility. Goodyear and its subsidiaries that guarantee our U.S. facilities provide unsecured guarantees to support the European revolving credit facilities. Goodyear Dunlop Tires Europe B.V. ("GDTE") and certain of its subsidiaries in the United Kingdom, Luxembourg, France and Germany also provide guarantees. GDTE's obligations under the facilities and the obligations of its subsidiaries under the related guarantees are secured by first priority security interests in a variety of collateral. As of June 30, 2008 and December 31, 2007, there were \$12 million of letters of credit issued and no borrowings under the European revolving credit facility. As of June 30, 2008 and December 31, 2007, there were no borrowings under the German revolving credit facility.

*International Accounts Receivable Securitization Facilities (On-Balance Sheet)*

GDTE and certain of its subsidiaries are party to a five-year pan-European accounts receivable securitization facility. The facility provides €275 million of funding and is subject to customary annual renewal of back-up liquidity commitments.

The facility involves the twice-monthly sale of substantially all of the trade accounts receivable of certain GDTE subsidiaries to a bankruptcy-remote French company controlled by one of the liquidity banks in the facility. These subsidiaries retained servicing responsibilities.

As of June 30, 2008 and December 31, 2007, the amount available and fully utilized under this program totaled \$434 million and \$403 million, respectively. The program did not qualify for sale accounting pursuant to the provisions of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," and accordingly, this amount is included in Long-term debt and capital leases.

In addition to the pan-European accounts receivable securitization facility discussed above, subsidiaries in Australia have accounts receivable securitization programs totaling \$85 million and \$78 million at June 30, 2008 and December 31, 2007, respectively. These amounts are included in Notes payable and overdrafts.

For a description of the collateral securing the facilities described above as well as the covenants applicable to them, please refer to the Note to Consolidated Financial Statements No. 11, Financing Arrangements and Derivative Financial Instruments, in our 2007 Form 10-K.

*Amended Pan - European Accounts Receivable Securitization Facility (On-Balance Sheet)*

On July 23, 2008, certain of our European subsidiaries amended and restated the pan-European accounts receivable securitization facility. The amendments increased the funding capacity of the facility from €275 million to €450 million and extended the expiration date from 2009 to 2015. The facility will continue to be subject to customary annual renewal of back-up liquidity commitments.

The amended facility involves an ongoing daily sale of substantially all of the trade accounts receivable of certain GDTE subsidiaries to a bankruptcy-remote French company controlled by one of the liquidity banks in the facility. It is an event of default under the amended facility if the ratio of GDTE's consolidated net indebtedness to its consolidated EBITDA is greater than 3.0 to 1.0. This financial covenant will automatically be amended to conform to the European credit facilities upon any amendment of such covenant in the European credit facilities. The defined terms used for this financial covenant are substantially similar to those included in the European credit facilities.

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Debt Maturities

Updates as of June 30, 2008 to our debt maturities as disclosed in our 2007 Form 10-K are provided below and reflect the redemption of our \$650 million senior secured notes due 2011 as well as the maturity and repayment of our \$100 million 6 3/8% notes. The updated information does not reflect the July 23, 2008, amendments to our pan-European accounts receivable securitization facility.

(In millions)	2008	Twelve Months Ending December 31,			
	2009	2010	2011	2012	
Domestic	\$ 4	\$ 500	\$ 3	\$ 977	\$ 3
International	67	465	16	2	59
	<u>\$ 71</u>	<u>\$ 965</u>	<u>\$ 19</u>	<u>\$ 979</u>	<u>\$ 62</u>

**NOTE 8. STOCK COMPENSATION PLANS**

Our Board of Directors granted 1.4 million stock options and 1.0 million performance share units during the first quarter of 2008 under our 2005 Performance Plan. The 2005 Performance Plan expired on April 26, 2008. The weighted average exercise price per share and weighted average fair value per share of these stock options was \$26.74 and \$13.35, respectively. The expected term was estimated using the simplified method, as historical data was not sufficient to provide a reasonable estimate. We estimated the fair values using the following assumptions in our Black-Scholes model:

Expected term: 6.25 years  
Interest rate: 3.21%  
Volatility: 47.0%  
Dividend yield: Nil

Additionally, we also granted 0.1 million reload options during the first six months of 2008.

We recognized stock-based compensation expense of \$1 million (\$3 million after-tax) and \$8 million (\$10 million after-tax) during the three and six months ended June 30, 2008, respectively. As of June 30, 2008, unearned compensation cost related to the unvested portion of all stock-based awards was approximately \$66 million and is expected to be recognized over the remaining vesting period of the respective grants, through June 30, 2012. During the three and six months ended June 30, 2007 we recognized stock-based compensation expense of \$21 million (\$20 million after-tax) and \$36 million (\$33 million after-tax), respectively.

On April 8, 2008, our shareholders approved the adoption of our 2008 Performance Plan. The 2008 Performance Plan, which replaces the 2005 Performance Plan, expires on April 8, 2018, and permits the grant of stock options and stock appreciation rights and the making of restricted stock or restricted stock unit grants, performance grants, other stock-based grants and awards, and cash-based grants and awards to employees and directors of the Company. A maximum of 8 million shares of our common stock may be issued under the 2008 Performance Plan. Any shares of common stock that are subject to awards of stock options or stock appreciation rights will be counted as one share for each share granted for purposes of the aggregate share limit and any shares of common stock that are subject to any other awards will be counted as 1.61 shares for each share granted for purposes of the aggregate share limit.

**NOTE 9. PENSION, SAVINGS AND OTHER POSTRETIREMENT BENEFIT PLANS**

We provide employees with defined benefit pension or defined contribution savings plans. In addition, we provide substantially all domestic employees and employees at certain non-U.S. subsidiaries with health care benefits upon retirement. We also provide certain domestic employees with life insurance benefits upon retirement.

As announced in 2007, we will freeze our U.S. salaried pension plans effective December 31, 2008 and will implement improvements to our defined contribution savings plan effective January 1, 2009. As a result of these actions, we recognized a curtailment charge of \$64 million during the first quarter of 2007. In 2007, we also announced changes to our U.S. salaried other postretirement benefit plans effective January 1, 2008, including increasing the amounts that salaried retirees contribute toward the cost of their medical benefits, redesigning retiree medical benefit plans to minimize the cost impact on premiums, and discontinuing company-paid life insurance for retirees.

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In 2007, we announced an agreement to sell our Engineered Products business, which resulted in the recognition of curtailment and termination charges for both pensions and other post retirement benefit plans during the first quarter of 2007 of \$72 million and a curtailment gain of \$43 million for the salaried other postretirement benefit plan during the third quarter of 2007 upon completion of the sale. These amounts were included in Discontinued Operations. Under the terms of the Purchase and Sale Agreement for Engineered Products, we retained our obligations for pension and other postretirement benefits under our U.S. plans for Engineered Products' existing retirees and employees eligible to retire as of July 31, 2007. Obligations for benefits under certain non-U.S. plans were not retained. For 2007, a portion of U.S. net periodic cost for active employees of Engineered Products, and net periodic cost for certain non-U.S. plans was included in Discontinued Operations.

Pension cost follows:

	U.S.		U.S.	
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2008	2007	2008	2007
Service cost — benefits earned during the period	\$ 18	\$ 21	\$ 36	\$ 44
Interest cost on projected benefit obligation	79	78	158	155
Expected return on plan assets	(93)	(86)	(186)	(172)
Amortization of: - prior service cost	9	9	18	22
- net losses	11	14	22	29
Net periodic pension cost	<u>24</u>	<u>36</u>	<u>48</u>	<u>78</u>
Curtailments/settlements	1	—	1	64
Total pension cost	<u>\$ 25</u>	<u>\$ 36</u>	<u>\$ 49</u>	<u>\$ 142</u>

  

	Non-U.S.		Non-U.S.	
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2008	2007	2008	2007
Service cost — benefits earned during the period	\$ 10	\$ 12	\$ 19	\$ 21
Interest cost on projected benefit obligation	42	38	85	74
Expected return on plan assets	(38)	(33)	(75)	(64)
Amortization of: - prior service cost	—	—	1	1
- net losses	14	19	27	38
Net periodic pension cost	<u>28</u>	<u>36</u>	<u>57</u>	<u>70</u>
Curtailments/settlements	1	—	1	—
Total pension cost	<u>\$ 29</u>	<u>\$ 36</u>	<u>\$ 58</u>	<u>\$ 70</u>

We expect to contribute approximately \$300 million to \$350 million to our funded U.S. and non-U.S. pension plans in 2008. For the three and six months ended June 30, 2008, we contributed \$45 million and \$84 million, respectively, to our non-U.S. plans and for the three and six months ended June 30, 2008, we contributed \$53 million to our U.S. plans.

Substantially all employees in the U.S. and employees of certain non-U.S. locations are eligible to participate in a defined contribution savings plan. The expenses recognized for our contributions to these plans for the three months ended June 30, 2008 and 2007 were \$9 million and \$7 million, respectively, and \$18 million and \$15 million for the six months ended June 30, 2008 and 2007, respectively.

The Medicare Prescription Drug Improvement and Modernization Act provides plan sponsors a federal subsidy for certain qualifying prescription drug benefits covered under the sponsor's postretirement health care plans. Our postretirement benefit costs are presented net of this subsidy.

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Postretirement benefit cost follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost — benefits earned during the period	\$ 3	\$ 4	\$ 6	\$ 9
Interest cost on projected benefit obligation	26	26	52	57
Amortization of: - prior service cost	(3)	(4)	(6)	1
- net losses	2	3	4	6
Net periodic postretirement benefit cost	<u>\$ 28</u>	<u>\$ 29</u>	<u>\$ 56</u>	<u>\$ 73</u>

**NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES**

At June 30, 2008, we had binding commitments for raw materials and investments in land, buildings and equipment of approximately \$1,764 million, and off-balance-sheet financial guarantees written and other commitments totaling \$38 million. In addition, we have other contractual commitments, the amounts of which cannot be estimated, pursuant to certain long-term agreements under which we shall purchase minimum amounts of various raw materials at agreed upon base prices that are subject to periodic adjustments for changes in raw material costs and market price adjustments, or in quantities that are subject to periodic adjustments for changes in our production levels.

**Environmental Matters**

We have recorded liabilities totaling \$43 million and \$46 million at June 30, 2008 and December 31, 2007, respectively, for anticipated costs related to various environmental matters, primarily the remediation of numerous waste disposal sites and certain properties sold by us. Of these amounts, \$9 million and \$11 million were included in Other Current Liabilities at June 30, 2008 and December 31, 2007, respectively. The costs include legal and consulting fees, site studies, the design and implementation of remediation plans, post-remediation monitoring and related activities and will be paid over several years. The amount of our ultimate liability in respect of these matters may be affected by several uncertainties, primarily the ultimate cost of required remediation and the extent to which other responsible parties contribute.

**Workers' Compensation**

We have recorded liabilities, on a discounted basis, totaling \$283 million and \$276 million for anticipated costs related to workers' compensation at June 30, 2008 and December 31, 2007, respectively. Of these amounts, \$80 million and \$86 million were included in Current Liabilities as part of Compensation and Benefits at June 30, 2008 and December 31, 2007, respectively. The costs include an estimate of expected settlements on pending claims, defense costs and a provision for claims incurred but not reported. These estimates are based on our assessment of potential liability using an analysis of available information with respect to pending claims, historical experience, and current cost trends. The amount of our ultimate liability in respect of these matters may differ from these estimates.

**General and Product Liability and Other Litigation**

We have recorded liabilities totaling \$454 million and \$467 million, including related legal fees expected to be incurred, for potential product liability and other tort claims presently asserted against us, at June 30, 2008 and December 31, 2007, respectively. Of these amounts, \$269 million and \$270 million were included in Other Current Liabilities at June 30, 2008 and December 31, 2007, respectively. The amounts recorded were estimated on the basis of an assessment of potential liability using an analysis of available information with respect to pending claims, historical experience and, where available, recent and current trends. We have recorded insurance receivables for potential product liability and other tort claims of \$69 million and \$71 million at June 30, 2008 and December 31, 2007, respectively. Of these amounts, \$6 million and \$8 million were included in Current Assets as part of Accounts Receivable at June 30, 2008 and December 31, 2007, respectively. We have restricted cash of \$167 million and \$172 million at June 30, 2008 and December 31, 2007, respectively, to fund certain of these liabilities.

**Asbestos.** We are a defendant in numerous lawsuits alleging various asbestos-related personal injuries purported to result from alleged exposure to certain asbestos products manufactured by us or present in certain of our facilities. Typically, these lawsuits have been brought against multiple defendants in state and Federal courts. To date, we have disposed of

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approximately 50,000 claims by defending and obtaining the dismissal thereof or by entering into a settlement. The sum of our accrued asbestos-related liability and gross payments to date, including legal costs, totaled approximately \$304 million through June 30, 2008 and \$297 million through December 31, 2007.

A summary of approximate asbestos claims activity in recent years follows. Because claims are often filed and disposed of by dismissal or settlement in large numbers, the amount and timing of settlements and the number of open claims during a particular period can fluctuate significantly from period to period.

<i>(Dollars in millions)</i>	<b>Six Months Ended June 30, 2008</b>	<b>Year Ended December 31, 2007</b>
Pending claims, beginning of period	117,400	124,000
New claims filed	2,400	2,400
Claims settled/dismissed	(1,300)	(9,000)
Pending claims, end of period	118,500	117,400
Payments (1)	\$ 9	\$ 22

(1) Represents amount spent by us and our insurers on asbestos litigation defense and claim resolution.

We engaged an independent asbestos valuation firm, Bates White, LLC (“Bates”), to review our existing reserves for pending claims, provide a reasonable estimate of the liability associated with unasserted asbestos claims, and determine our receivables from probable insurance recoveries.

We had recorded liabilities for both asserted and unasserted claims, inclusive of defense costs, totaling \$124 million and \$127 million at June 30, 2008 and at December 31, 2007, respectively. The portion of the liability associated with unasserted asbestos claims was \$74 million and \$76 million at June 30, 2008 and December 31, 2007, respectively. Our liability with respect to asserted claims and related defense costs was \$50 million at June 30, 2008 and \$51 million at December 31, 2007. At June 30, 2008, we estimate that it is reasonably possible that our gross liabilities could exceed our recorded reserve by up to \$35 million, approximately 50% of which would be recoverable by our accessible policy limits.

Based upon a model employed by Bates, as of June 30, 2008 and as of December 31, 2007, (i) we had recorded a receivable related to asbestos claims of \$69 million and \$71 million, respectively, and (ii) we expect that approximately 50% of asbestos claim related losses would be recoverable up to our accessible policy limits through the period covered by the estimated liability. The receivable recorded consists of an amount we expect to collect under coverage-in-place agreements with certain primary carriers as well as an amount we believe is probable of recovery from certain of our excess coverage insurance carriers. Of this amount, \$6 million and \$8 million were included in Current Assets as part of Accounts Receivable at June 30, 2008 and December 31, 2007, respectively.

We believe that at June 30, 2008, we had at least \$180 million in aggregate limits of excess level policies potentially applicable to indemnity payments for asbestos products claims, in addition to limits of available primary insurance policies. Some of these excess policies provide for payment of defense costs in addition to indemnity limits. A portion of the availability of the excess level policies is included in the \$69 million insurance receivable recorded at June 30, 2008. We also had approximately \$15 million in aggregate limits for products claims, as well as coverage for premise claims on a per occurrence basis and defense costs available with our primary insurance carriers through coverage-in-place agreements at June 30, 2008.

**Heatway (Entran II).** We have entered into a court approved amended settlement agreement that was intended to address the claims arising out of a number of Federal, state and Canadian actions filed against us involving a rubber hose product used in hydronic radiant heating systems, known as Entran II. We had recorded liabilities related to Entran II claims totaling \$189 million at June 30, 2008 and \$193 million at December 31, 2007. We have made cash contributions to the settlement fund totaling \$130 million through 2007 and will make additional contributions of \$20 million in 2008. In addition to these annual payments, we previously contributed approximately \$174 million received from insurance contributions to the settlement fund pursuant to the terms of the settlement agreement. We do not expect to receive any additional insurance reimbursements for Entran II related matters. We expect that, except for liabilities associated with actions in which we have received adverse judgments and sites that have opted-out of the amended settlement, our liability with respect to Entran II matters has been addressed by the amended settlement.

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**Other Actions.** We are currently a party to various claims and legal proceedings in addition to those noted above. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on our financial position or overall trends in results of operations. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages or an injunction prohibiting us from selling one or more products. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or future periods.

**Tax Matters**

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. We derecognize tax benefits when, based on new information, we determine that it is no longer more likely than not that our position will be sustained. To the extent we prevail in matters for which liabilities have been established, or determine we need to derecognize tax benefits recorded in prior periods, or that we are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution.

**VEBA Litigation**

On December 28, 2006, members of the United Steelworkers (“USW”) ratified the terms of a new master labor agreement ending a strike that began on October 5, 2006. In connection with the master labor agreement, we also entered into a memorandum of understanding with the USW regarding the establishment of an independent Voluntary Employees’ Beneficiary Association (“VEBA”) intended to provide healthcare benefits for current and future USW retirees. The establishment of the VEBA is conditioned upon District Court approval of a settlement of a declaratory judgment action. On July 3, 2007, the USW and several retirees filed a required class action lawsuit regarding the establishment of the VEBA in the U.S. District Court for the Northern District of Ohio. On October 29, 2007, the parties filed the signed settlement agreement with the District Court, and on December 14, 2007, the District Court preliminarily approved the settlement agreement and established the date for a fairness hearing regarding the settlement. We have committed to contribute \$1 billion to the VEBA. We plan to make our contributions to the VEBA entirely in cash following the District Court’s approval of the settlement. In the event that the VEBA is not approved by the District Court (or if the approval of the District Court is subsequently reversed), the master labor agreement may be terminated by either us or the USW, and negotiations may be reopened on the entirety of the master labor agreement.

**Guarantees**

We are a party to various agreements under which we have undertaken obligations resulting from the issuance of certain guarantees. Guarantees have been issued on behalf of certain of our affiliates and customers. Normally there is no separate premium received by us as consideration for the issuance of guarantees. Our performance under these guarantees would normally be triggered by the occurrence of one or more events as provided in the specific agreements. Collateral and recourse provisions available to us under these agreements were not significant.

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**NOTE 11. BUSINESS SEGMENTS**

In the first quarter of 2008, we formed a new strategic business unit, Europe, Middle East and Africa Tire by combining our former European Union Tire and Eastern Europe, Middle East and Africa Tire business units. Prior year amounts have been restated for this change. As a result, we now operate our business through four operating segments representing our regional tire businesses: North American Tire; Europe, Middle East and Africa Tire; Latin American Tire; and Asia Pacific Tire.

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
<b>Sales:</b>				
North American Tire	\$ 2,130	\$ 2,276	\$ 4,127	\$ 4,293
Europe, Middle East and Africa Tire	2,024	1,759	3,974	3,447
Latin American Tire	572	458	1,102	868
Asia Pacific Tire	513	428	978	812
<b>Net Sales</b>	<b><u>\$ 5,239</u></b>	<b><u>\$ 4,921</u></b>	<b><u>\$ 10,181</u></b>	<b><u>\$ 9,420</u></b>
<b>Segment Operating Income:</b>				
North American Tire	\$ 24	\$ 53	\$ 56	\$ 33
Europe, Middle East and Africa Tire	151	126	323	265
Latin American Tire	103	90	217	168
Asia Pacific Tire	52	41	101	70
<b>Total Segment Operating Income</b>	<b>330</b>	<b>310</b>	<b>697</b>	<b>536</b>
Rationalizations	(87)	(7)	(100)	(22)
Accelerated depreciation	(4)	(8)	(4)	(25)
Interest expense	(76)	(120)	(165)	(245)
Corporate incentive and stock based compensation plans	(11)	(26)	(15)	(42)
Intercompany profit elimination	(4)	4	(13)	(13)
Curtailment	—	—	—	(64)
Retained net expenses of discontinued operations	—	(9)	—	(16)
Other income and (expense)	22	(39)	28	(19)
Other	(3)	(9)	(11)	(19)
<b>Income from Continuing Operations before Income Taxes and Minority Interest</b>	<b><u>\$ 167</u></b>	<b><u>\$ 96</u></b>	<b><u>\$ 417</u></b>	<b><u>\$ 71</u></b>

Rationalizations, as described in Note 2, Costs Associated with Rationalization Programs, and Asset Sales, as described in Note 3, Other (Income) and Expense, are not charged (credited) to the strategic business units (“SBUs”) for performance evaluation purposes, but were attributable to the SBUs as follows:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
<b>Rationalizations:</b>				
North American Tire	\$ 2	\$ 4	\$ 11	\$ 10
Europe, Middle East and Africa Tire	12	2	17	7
Latin American Tire	1	—	—	2
Asia Pacific Tire	72	—	72	—
<b>Total Segment Rationalizations</b>	<b>87</b>	<b>6</b>	<b>100</b>	<b>19</b>
Corporate	—	1	—	3
	<b><u>\$ 87</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 100</u></b>	<b><u>\$ 22</u></b>
<b>Asset Sales (gain) / loss:</b>				
North American Tire	\$ (1)	\$ (8)	\$ (1)	\$ (8)
Europe, Middle East and Africa Tire	(3)	(1)	(21)	(2)
Latin American Tire	—	(1)	(5)	(2)
Asia Pacific Tire	—	—	(10)	(7)
<b>Total Segment Asset Sales (gain) / loss</b>	<b><u>\$ (4)</u></b>	<b><u>\$ (10)</u></b>	<b><u>\$ (37)</u></b>	<b><u>\$ (19)</u></b>

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**NOTE 12. INCOME TAXES**

For the second quarter of 2008, we recorded tax expense of \$74 million on income from continuing operations before income taxes and minority interest of \$167 million. We record taxes based on overall estimated annual effective tax rates. Due to our projected marginal profitability in the United States, the estimated annual U.S. effective tax rate is subject to wide variability requiring us to record our U.S. taxes on a discrete item basis for the second quarter of 2008. For the second quarter of 2007, we recorded tax expense of \$51 million on income from continuing operations before income taxes and minority interest of \$96 million. Included in tax expense for the second quarter of 2007 was a net tax benefit of \$11 million (\$0.05 per share) related to prior periods. The out-of-period adjustment, in 2007, related to our correction of the inflation adjustment on equity of our subsidiary in Colombia as a permanent tax benefit rather than as a temporary tax benefit dating back as far as 1992, with no individual year being significantly affected.

Our losses in certain foreign locations in recent periods represented sufficient negative evidence to require us to maintain a full valuation allowance against our net deferred tax assets in these foreign locations. However, it is reasonably possible that sufficient positive evidence required to release all, or a portion, of these valuation allowances within the next 12 months will exist, resulting in one-time tax benefits of up to \$100 million (\$85 million, net of minority interest).

At January 1, 2008, we had unrecognized tax benefits of \$174 million that if recognized, would have a favorable impact on our tax expense of \$162 million. We report interest and penalties as income taxes and have accrued interest of \$11 million as of January 1, 2008. We agreed to an audit assessment during the second quarter of 2008, which reduced the unrecognized tax benefits by \$7 million and accrued interest by \$2 million. If not favorably settled, \$52 million of the remaining unrecognized tax benefits and \$9 million of accrued interest would require the use of cash.

Generally, years beginning after 2002 are still open to examination by foreign taxing authorities, including several major taxing jurisdictions. In Germany, we are open to examination from 1998 onward. In the United States, we are open to examination from 2004 forward. We are also involved in a United States/Canada Competent Authority resolution process that deals with transactions between our operations in these countries from 1997 through 2003. This proceeding is expected to be concluded within the next 18 months.

It is expected that the amount of unrecognized tax benefits will also change for other reasons in the next 12 months; however, we do not expect that change to have a significant impact on our financial position or results of operations.



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**NOTE 13. CONSOLIDATING FINANCIAL INFORMATION**

Certain of our subsidiaries have guaranteed Goodyear's obligations under the \$260 million outstanding principal amount of 9% senior notes due 2015 and the \$825 million outstanding principal amount of senior notes (consisting of \$325 million outstanding principal amount of 8.625% senior notes due 2011 and \$500 million outstanding principal amount of senior floating rate notes due 2009) (collectively, the "notes"). The following presents the condensed consolidating financial information separately for:

- (i) The Goodyear Tire & Rubber Company (the "Parent Company"), the issuer of the guaranteed obligations;
- (ii) Guarantor subsidiaries, on a combined basis, as specified in the indentures related to Goodyear's obligations under the notes;
- (iii) Non-guarantor subsidiaries, on a combined basis;
- (iv) Consolidating entries and eliminations representing adjustments to (a) eliminate intercompany transactions between or among the Parent Company, the guarantor subsidiaries and the non-guarantor subsidiaries, (b) eliminate the investments in our subsidiaries, and (c) record consolidating entries; and
- (v) The Goodyear Tire & Rubber Company and Subsidiaries on a consolidated basis.

Each guarantor subsidiary is 100% owned by the Parent Company at the date of each balance sheet presented. The notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary. Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use by the Parent Company and Guarantor subsidiaries of the equity method of accounting to reflect ownership interests in subsidiaries which are eliminated upon consolidation.

Certain non-guarantor subsidiaries of the Parent Company are restricted from remitting funds to it by means of dividends, advances or loans due to required foreign government and/or currency exchange board approvals or restrictions in credit agreements or other debt instruments of those subsidiaries. Cash flows resulting from short-term cash advances between operating entities are included in Cash Flows from Operating Activities.

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
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	Consolidating Balance Sheet June 30, 2008				
	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<i>(In millions)</i>					
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 1,034	\$ 60	\$ 975	\$ —	\$ 2,069
Restricted Cash	173	—	8	—	181
Accounts Receivable	920	201	2,509	—	3,630
Accounts Receivable from Affiliates	—	902	—	(902)	—
Inventories	1,721	310	1,976	(74)	3,933
Prepaid Expenses and Other Current Assets	105	18	168	1	292
<b>Total Current Assets</b>	<b>3,953</b>	<b>1,491</b>	<b>5,636</b>	<b>(975)</b>	<b>10,105</b>
Goodwill	—	25	512	247	784
Intangible Assets	110	12	55	(12)	165
Deferred Income Tax	—	16	76	(16)	76
Other Assets	195	52	189	—	436
Investments in Subsidiaries	5,228	678	3,378	(9,284)	—
Property, Plant and Equipment	2,042	216	3,658	12	5,928
<b>Total Assets</b>	<b>\$11,528</b>	<b>\$ 2,490</b>	<b>\$ 13,504</b>	<b>\$ (10,028)</b>	<b>\$ 17,494</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts Payable-Trade	\$ 671	\$ 78	\$ 2,038	\$ —	\$ 2,787
Accounts Payable to Affiliates	879	—	23	(902)	—
Compensation and Benefits	517	34	379	—	930
Other Current Liabilities	454	14	344	—	812
United States and Foreign Taxes	57	20	166	(8)	235
Notes Payable and Overdrafts	—	—	300	—	300
Long Term Debt and Capital Leases due within one year	2	—	99	—	101
<b>Total Current Liabilities</b>	<b>2,580</b>	<b>146</b>	<b>3,349</b>	<b>(910)</b>	<b>5,165</b>
Long Term Debt and Capital Leases	3,097	—	571	—	3,668
Compensation and Benefits	1,936	219	1,090	—	3,245
Deferred and Other Noncurrent Income Taxes	79	23	214	(11)	305
Other Long Term Liabilities	483	40	134	—	657
Minority Equity in Subsidiaries	—	—	853	248	1,101
<b>Total Liabilities</b>	<b>8,175</b>	<b>428</b>	<b>6,211</b>	<b>(673)</b>	<b>14,141</b>
Commitments and Contingent Liabilities					
<b>Shareholders' Equity:</b>					
Preferred Stock	—	—	—	—	—
Common Stock	241	617	4,549	(5,166)	241
Capital Surplus	2,694	5	786	(791)	2,694
Retained Earnings	1,824	1,688	2,564	(4,252)	1,824
Accumulated Other Comprehensive Loss	(1,406)	(248)	(606)	854	(1,406)
<b>Total Shareholders' Equity</b>	<b>3,353</b>	<b>2,062</b>	<b>7,293</b>	<b>(9,355)</b>	<b>3,353</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$11,528</b>	<b>\$ 2,490</b>	<b>\$ 13,504</b>	<b>\$ (10,028)</b>	<b>\$ 17,494</b>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
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(Unaudited)

	Consolidating Balance Sheet December 31, 2007				
	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<i>(In millions)</i>					
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 2,516	\$ 25	\$ 922	\$ —	\$ 3,463
Restricted Cash	178	—	13	—	191
Accounts Receivable	837	207	2,059	—	3,103
Accounts Receivable from Affiliates	—	920	69	(989)	—
Inventories	1,356	296	1,575	(63)	3,164
Prepaid Expenses and Other Current Assets	97	12	145	(3)	251
<b>Total Current Assets</b>	<b>4,984</b>	<b>1,460</b>	<b>4,783</b>	<b>(1,055)</b>	<b>10,172</b>
Goodwill	—	25	487	201	713
Intangible Assets	110	18	56	(17)	167
Deferred Income Tax	—	16	82	(15)	83
Other Assets	221	44	193	—	458
Investments in Subsidiaries	4,842	622	3,298	(8,762)	—
Property, Plant and Equipment	1,967	228	3,389	14	5,598
<b>Total Assets</b>	<b>\$12,124</b>	<b>\$ 2,413</b>	<b>\$ 12,288</b>	<b>\$ (9,634)</b>	<b>\$ 17,191</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts Payable-Trade	\$ 680	\$ 79	\$ 1,663	\$ —	\$ 2,422
Accounts Payable to Affiliates	989	—	—	(989)	—
Compensation and Benefits	552	35	310	—	897
Other Current Liabilities	520	18	215	—	753
United States and Foreign Taxes	66	13	123	(6)	196
Notes Payable and Overdrafts	—	—	225	—	225
Long Term Debt and Capital Leases due within one year	102	—	69	—	171
<b>Total Current Liabilities</b>	<b>2,909</b>	<b>145</b>	<b>2,605</b>	<b>(995)</b>	<b>4,664</b>
Long Term Debt and Capital Leases	3,750	—	579	—	4,329
Compensation and Benefits	2,053	232	1,119	—	3,404
Deferred and Other Noncurrent Income Taxes	76	22	187	(11)	274
Other Long Term Liabilities	486	42	139	—	667
Minority Equity in Subsidiaries	—	—	773	230	1,003
<b>Total Liabilities</b>	<b>9,274</b>	<b>441</b>	<b>5,402</b>	<b>(776)</b>	<b>14,341</b>
Commitments and Contingent Liabilities					
<b>Shareholders' Equity:</b>					
Preferred Stock	—	—	—	—	—
Common Stock	240	617	4,512	(5,129)	240
Capital Surplus	2,660	5	786	(791)	2,660
Retained Earnings	1,602	1,644	2,379	(4,023)	1,602
Accumulated Other Comprehensive Loss	(1,652)	(294)	(791)	1,085	(1,652)
<b>Total Shareholders' Equity</b>	<b>2,850</b>	<b>1,972</b>	<b>6,886</b>	<b>(8,858)</b>	<b>2,850</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$12,124</b>	<b>\$ 2,413</b>	<b>\$ 12,288</b>	<b>\$ (9,634)</b>	<b>\$ 17,191</b>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
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Consolidating Statements of Operations Three Months Ended June 30, 2008					
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<b>NET SALES</b>	<b>\$ 2,034</b>	<b>\$ 482</b>	<b>\$ 5,493</b>	<b>\$ (2,770)</b>	<b>\$ 5,239</b>
Cost of Goods Sold	1,800	414	4,795	(2,813)	4,196
Selling, Administrative and General Expense	241	47	449	(2)	735
Rationalizations	1	2	84	—	87
Interest Expense	57	6	63	(50)	76
Other (Income) and Expense	(63)	(1)	(46)	88	(22)
Income (Loss) before Income Taxes, Minority Interest and Equity in Earnings of Subsidiaries	(2)	14	148	7	167
United States and Foreign Taxes	9	(1)	65	1	74
Minority Interest	—	—	18	—	18
Equity in Earnings of Subsidiaries	86	7	—	(93)	—
<b>NET INCOME (LOSS)</b>	<b>\$ 75</b>	<b>\$ 22</b>	<b>\$ 65</b>	<b>\$ (87)</b>	<b>\$ 75</b>

  

Three Months Ended June 30, 2007					
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<b>NET SALES</b>	<b>\$ 2,008</b>	<b>\$ 477</b>	<b>\$ 4,667</b>	<b>\$ (2,231)</b>	<b>\$ 4,921</b>
Cost of Goods Sold	1,775	424	4,059	(2,291)	3,967
Selling, Administrative and General Expense	254	45	394	(1)	692
Rationalizations	(1)	7	1	—	7
Interest Expense	110	13	69	(72)	120
Other (Income) and Expense	(23)	(11)	(36)	109	39
Income (Loss) from Continuing Operations before Income Taxes, Minority Interest and Equity in Earnings of Subsidiaries	(107)	(1)	180	24	96
United States and Foreign Taxes	(2)	3	49	1	51
Minority Interest	—	—	16	—	16
Equity in Earnings of Subsidiaries	134	4	—	(138)	—
Income(Loss) from Continuing Operations	29	—	115	(115)	29
Discontinued Operations	27	3	15	(18)	27
<b>NET INCOME (LOSS)</b>	<b>\$ 56</b>	<b>\$ 3</b>	<b>\$ 130</b>	<b>\$ (133)</b>	<b>\$ 56</b>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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Consolidating Statements of Operations Six Months Ended June 30, 2008					
<i>(In millions)</i>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidating Entries and Eliminations</u>	<u>Consolidated</u>
<b>NET SALES</b>	<b>\$ 3,977</b>	<b>\$ 948</b>	<b>\$ 10,499</b>	<b>\$ (5,243)</b>	<b>\$ 10,181</b>
Cost of Goods Sold	3,518	818	9,133	(5,312)	8,157
Selling, Administrative and General Expense	447	93	832	(2)	1,370
Rationalizations	8	3	89	—	100
Interest Expense	136	12	135	(118)	165
Other (Income) and Expense	(95)	(3)	(128)	198	(28)
Income (Loss) before Income Taxes, Minority Interest and Equity in Earnings of Subsidiaries	(37)	25	438	(9)	417
United States and Foreign Taxes	16	3	133	(1)	151
Minority Interest	—	—	44	—	44
Equity in Earnings of Subsidiaries	275	25	—	(300)	—
<b>NET INCOME (LOSS)</b>	<b>\$ 222</b>	<b>\$ 47</b>	<b>\$ 261</b>	<b>\$ (308)</b>	<b>\$ 222</b>
Six Months Ended June 30, 2007					
<i>(In millions)</i>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidating Entries and Eliminations</u>	<u>Consolidated</u>
<b>NET SALES</b>	<b>\$ 3,894</b>	<b>\$ 939</b>	<b>\$ 9,000</b>	<b>\$ (4,413)</b>	<b>\$ 9,420</b>
Cost of Goods Sold	3,508	854	7,842	(4,496)	7,708
Selling, Administrative and General Expense	532	88	734	1	1,355
Rationalizations	2	12	8	—	22
Interest Expense	229	22	131	(137)	245
Other (Income) and Expense	(107)	(14)	(89)	229	19
Income (Loss) from Continuing Operations before Income Taxes, Minority Interest and Equity in Earnings of Subsidiaries	(270)	(23)	374	(10)	71
United States and Foreign Taxes	7	6	103	(2)	114
Minority Interest	—	—	38	—	38
Equity in Earnings of Subsidiaries	196	13	—	(209)	—
Income (Loss) from Continuing Operations	(81)	(16)	233	(217)	(81)
Discontinued Operations	(37)	3	24	(27)	(37)
<b>NET INCOME (LOSS)</b>	<b>\$ (118)</b>	<b>\$ (13)</b>	<b>\$ 257</b>	<b>\$ (244)</b>	<b>\$ (118)</b>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

	Condensed Consolidating Statement of Cash Flows Six Months Ended June 30, 2008				
	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<i>(In millions)</i>					
<b>Cash Flows from Operating Activities:</b>					
<b>Total Cash Flows from Operating Activities</b>	<b>\$ (872)</b>	<b>\$ 49</b>	<b>\$ 779</b>	<b>\$ (171)</b>	<b>\$ (215)</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(220)	(13)	(243)	—	(476)
Asset dispositions	—	—	40	—	40
Asset acquisitions	—	—	(46)	—	(46)
Decrease (increase) in restricted cash	5	—	5	—	10
Capital contributions	—	—	(33)	33	—
Capital redemptions	380	—	—	(380)	—
<b>Total Cash Flows from Investing Activities</b>	<b>165</b>	<b>(13)</b>	<b>(277)</b>	<b>(347)</b>	<b>(472)</b>
<b>Cash Flows from Financing Activities:</b>					
Short term debt and overdrafts incurred	—	1	59	—	60
Short term debt and overdrafts paid	(29)	—	(1)	—	(30)
Long term debt incurred	—	—	3	—	3
Long term debt paid	(751)	—	(36)	—	(787)
Common stock issued	5	—	—	—	5
Capital contributions	—	—	33	(33)	—
Capital redemptions	—	—	(380)	380	—
Dividends paid	—	—	(173)	171	(2)
Other transactions	—	—	6	—	6
<b>Total Cash Flows from Financing Activities</b>	<b>(775)</b>	<b>1</b>	<b>(489)</b>	<b>518</b>	<b>(745)</b>
Effect of exchange rate changes on cash and cash equivalents	—	(2)	40	—	38
<b>Net Change in Cash and Cash Equivalents</b>	<b>(1,482)</b>	<b>35</b>	<b>53</b>	<b>—</b>	<b>(1,394)</b>
Cash and Cash Equivalents at Beginning of the Period	2,516	25	922	—	3,463
<b>Cash and Cash Equivalents at End of the Period</b>	<b>\$ 1,034</b>	<b>\$ 60</b>	<b>\$ 975</b>	<b>\$ —</b>	<b>\$ 2,069</b>

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

	Condensed Consolidating Statement of Cash Flows Six Months Ended June 30, 2007				
	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
<i>(In millions)</i>					
<b>Cash Flows from Operating Activities:</b>					
Total Operating Cash Flows from Continuing Operations	\$ (453)	\$ (17)	\$ 232	\$ (275)	\$ (513)
Discontinued Operations	7	—	19	(21)	5
<b>Total Cash Flows from Operating Activities</b>	<b>(446)</b>	<b>(17)</b>	<b>251</b>	<b>(296)</b>	<b>(508)</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(90)	(5)	(132)	—	(227)
Asset dispositions	—	9	24	—	33
Decrease (increase) in restricted cash	24	—	(1)	—	23
Other transactions	(6)	6	(150)	150	—
Total Investing Cash Flows from Continuing Operations	(72)	10	(259)	150	(171)
Discontinued Operations	(24)	—	(24)	23	(25)
<b>Total Cash Flows from Investing Activities</b>	<b>(96)</b>	<b>10</b>	<b>(283)</b>	<b>173</b>	<b>(196)</b>
<b>Cash Flows from Financing Activities:</b>					
Short term debt and overdrafts incurred	6	—	33	—	39
Short term debt and overdrafts paid	—	(5)	(52)	—	(57)
Long term debt incurred	249	—	125	—	374
Long term debt paid	(1,738)	—	(403)	—	(2,141)
Common stock issued	940	—	—	—	940
Dividends paid	—	—	(308)	299	(9)
Debt issuance costs	(17)	—	—	—	(17)
Other transactions	—	12	161	(173)	—
Total Financing Cash Flows from Continuing Operations	(560)	7	(444)	126	(871)
Discontinued Operations	(3)	—	(6)	(3)	(12)
<b>Total Cash Flows from Financing Activities</b>	<b>(563)</b>	<b>7</b>	<b>(450)</b>	<b>123</b>	<b>(883)</b>
Net Change in Cash of Discontinued Operations	—	—	32	—	32
Effect of exchange rate changes on cash and cash equivalents	—	4	17	—	21
<b>Net Change in Cash and Cash Equivalents</b>	<b>(1,105)</b>	<b>4</b>	<b>(433)</b>	<b>—</b>	<b>(1,534)</b>
Cash and Cash Equivalents at Beginning of the Period	2,626	37	1,199	—	3,862
<b>Cash and Cash Equivalents at End of the Period</b>	<b>\$ 1,521</b>	<b>\$ 41</b>	<b>\$ 766</b>	<b>\$ —</b>	<b>\$ 2,328</b>

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

*(All per share amounts are diluted)*

### OVERVIEW

The Goodyear Tire & Rubber Company is one of the world's leading manufacturers of tires, with one of the most recognizable brand names in the world and operations in most regions of the world. We have a broad global footprint with 64 manufacturing facilities in 25 countries, including the United States. We operate our business through four operating segments representing our regional tire businesses: North American Tire; Europe, Middle East and Africa Tire; Latin American Tire; and Asia Pacific Tire.

During the first quarter of 2008, we formed a new strategic business unit, Europe, Middle East and Africa Tire ("EMEA"), by combining our former European Union Tire and Eastern Europe, Middle East and Africa Tire business units and have aligned the external presentation of our results with the current management and operating structure.

As a result of the sale of substantially all of our Engineered Products business on July 31, 2007, we have reported the results of that segment as discontinued operations. Unless otherwise indicated, all disclosures in Management's Discussion and Analysis of Financial Condition and Results of Operations relate to continuing operations.

We have announced strategies to capitalize on worldwide growth in demand for our innovative high-value-added tires, develop further our strong emerging market businesses, enhance our global supply chain and increase our cost reduction efforts. We anticipate capital investments totaling between \$1.0 billion and \$1.3 billion per year from 2008 to 2010, including investments to relocate and expand our manufacturing plant in Dalian, China, to modernize four U.S. manufacturing plants, to expand production in Brazil and Chile, and to modernize and expand production in Germany and Poland. We expect to increase our high-value-added tire production capacity by 50% from 2006 levels and to increase our capacity in lower-cost labor markets to 50% of our worldwide capacity by 2012. We have also increased our aggregate gross cost savings target under our four-point cost savings plan to more than \$2.0 billion from 2006 through 2009.

We are experiencing an increasingly more difficult industry environment, particularly in North America and parts of Europe, that is characterized by significantly higher raw material costs, inflationary pressure on consumer behavior, lower U.S. auto sales and production, and a trend towards lower miles driven in response to increasing fuel prices.

We are focused intensely on mitigating the impact of these pressures through:

- offsetting raw material cost increases with price and mix improvements,
- raising our four-point cost savings plan target to more than \$2 billion,
- reducing production schedules at certain of our manufacturing facilities,
- continuing our focus on consumer-driven product development and innovation,
- improving our supply chain, and
- engaging in active contingency planning.

In the second quarter of 2008, we recorded net income of \$75 million compared to net income of \$56 million in the comparable period of 2007. Income from continuing operations in the second quarter of 2008 was \$75 million compared to \$29 million in the second quarter of 2007. Net sales in the second quarter of 2008 increased \$318 million, or 6.5%, to \$5,239 million from \$4,921 million in the second quarter of 2007.

In the second quarter of 2008, our total segment operating income was \$330 million compared to \$310 million in the second quarter of 2007. See "Results of Operations – Segment Information" for additional information.

Raw material costs continued to rise in the second quarter of 2008 and were approximately \$124 million, or 8.5%, higher than the comparable period of 2007. For the six months ended June 30, 2008, raw material costs rose by 4.7% over the comparable period of 2007. All of our businesses have been successful in offsetting higher raw material costs with price and mix improvements. In addition, we expect raw material costs for the full year of 2008 to be up between 10% and 12% compared to 2007.



In the first six months of 2008, we recorded net income of \$222 million compared to a net loss of \$118 million in the comparable period of 2007. Income from continuing operations in the first six months of 2008 was \$222 million compared to a loss from continuing operations of \$81 million in the first six months of 2007. Net sales in the first six months of 2008 increased \$761 million, or 8.1%, to \$10,181 million from \$9,420 million in the first six months of 2007.

With respect to our four-point cost savings plan, which includes continuous improvement programs, reducing high-cost manufacturing capacity, leveraging our global position by increasing low-cost country sourcing, and reducing selling, administrative and general expense, we now expect to achieve more than \$2.0 billion of aggregate gross cost savings from 2006 through 2009. The expected cost reductions consist of:

- More than \$1.4 billion of estimated savings related to continuous improvement initiatives, including business process improvements, such as six sigma and lean manufacturing, leverage from manufacturing upgrades, product reformulations and safety programs, and ongoing savings that we expect to achieve from our master labor agreement with the United Steelworkers (“USW”) (through June 30, 2008, we estimate we have achieved more than \$900 million in savings under these initiatives);
- More than \$150 million of estimated savings from the reduction of high-cost manufacturing capacity by over 25 million units (the announced closing of our Somerton, Australia plant completes this element of our four-point cost savings plan and we estimate that announced reductions to date will result in approximately \$170 million of savings when complete);
- Between \$200 million to \$300 million of estimated savings related to our sourcing strategy of increasing our procurement of tires, raw materials, capital equipment and indirect materials from low-cost countries (through June 30, 2008, we estimate we have achieved nearly \$125 million in savings under this strategy);
- Between \$200 million to \$250 million of estimated savings from reductions in selling, administrative and general expense related to initiatives including benefit plan changes, back-office and warehouse consolidations, supply chain improvements, legal entity reductions and headcount rationalizations (through June 30, 2008, we estimate we have achieved more than \$200 million in savings under these efforts).

We have updated our 2008 industry volume estimates for North America and Europe. Our estimates are as follows: North American consumer replacement volume is expected to be down 2% to 3%, while commercial replacement volume is expected to be down 2% to 4%. In North America, we estimate consumer OE volume will be down more than 15%, and commercial OE volume will be down 5% to 10%. For Europe, consumer replacement volume is expected to be down 1% to 3% and commercial replacement volume is expected to be down 4% to 6%. We expect consumer OE volume to be up 1% to 3%, and commercial OE volume to be up 8% to 10%.

## **RESULTS OF OPERATIONS**

### **CONSOLIDATED**

#### ***Three Months Ended June 30, 2008 and 2007***

Net sales in the second quarter of 2008 were \$5,239 million, increasing \$318 million, or 6.5%, from \$4,921 million in the 2007 second quarter. We recorded income from continuing operations of \$75 million, or \$0.31 per share, in the second quarter of 2008 compared to income from continuing operations of \$29 million, or \$0.14 per share, in the second quarter of 2007. Net income of \$75 million, or \$0.31 per share, was recorded in the second quarter of 2008 compared to \$56 million, or \$0.26 per share, in the second quarter of 2007.

Net sales in the second quarter of 2008 were favorably impacted by price and product mix of approximately \$307 million, mainly in North American Tire and EMEA, foreign currency translation of approximately \$302 million primarily in EMEA, and approximately \$100 million in other tire-related businesses, mainly in North American Tire. These positive changes were partially offset by lower volume of approximately \$208 million, mostly in North American Tire and EMEA, and a decrease in sales from the 2007 divestiture of our Tire & Wheel Assembly operations, which contributed sales of \$186 million in the second quarter of 2007.

Worldwide tire unit sales in the second quarter of 2008 were 47.9 million units, a decrease of 2.9 million units, or 5.8%, compared to the 2007 period. There was a decrease of 1.2 million units, or 3.8%, in replacement units, primarily in North American Tire and EMEA. North American Tire consumer replacement volume decreased 1.0 million units, or 7.9%, and EMEA consumer replacement volume decreased 0.4 million units, or 3.1%. The decline in the consumer replacement volume is due in part to weakening economic conditions in the U.S. OE units decreased 1.7 million units, or 10.4%, primarily in North American Tire and EMEA, partially offset by an increase in Asia Pacific Tire. The significant decline in North American Tire OE volume was driven by difficult U.S. economic conditions and rising fuel prices that have reduced demand for large vehicles.

Cost of goods sold (CGS) in the second quarter of 2008 was \$4,196 million, an increase of \$229 million compared to \$3,967 million in the second quarter of 2007. As a percentage of sales, CGS was 80.1% compared to 80.6% in the 2007 period. CGS in the second quarter of 2008 increased due to foreign currency translation of approximately \$222 million, higher raw material costs of approximately \$124 million, approximately \$98 million of increased costs related to other tire-related businesses, approximately \$75 million of higher conversion costs, primarily in North American Tire, product mix-related cost increases of approximately \$58 million, mostly related to North American Tire and EMEA, and higher transportation costs of \$18 million. Reducing CGS were decreased costs related to the 2007 divestiture of our Tire & Wheel Assembly operations, which had costs of \$179 million in the second quarter of 2007, and lower volume of approximately \$171 million, primarily in North American Tire. Rationalization plans also created additional savings of approximately \$19 million in the second quarter of 2008.

Selling, administrative and general expense (SAG) was \$735 million in the second quarter of 2008, compared to \$692 million in the second quarter of 2007, an increase of \$43 million, or 6.2%. The increase was driven primarily by foreign currency translation of approximately \$46 million and increased general and product liability and other insurance costs of \$12 million. Partially offsetting these increases was approximately \$20 million of reduced stock-based compensation expense primarily attributable to a decrease in our stock price. SAG as a percentage of sales was 14.0% in the second quarter of 2008, compared to 14.1% in the 2007 period.

Interest expense was \$76 million in the second quarter of 2008, a decrease of \$44 million compared to \$120 million in the second quarter of 2007. The decrease related primarily to lower average debt levels due to the repayment of the \$300 million term loan due March 2011 in August 2007 and the exchange of \$346 million of our 4% convertible notes in the fourth quarter of 2007. Also decreasing debt levels was the repayment of \$200 million of floating rate notes due 2011, \$450 million of 11% notes due 2011, and \$100 million of 6 3/8% notes due 2008 during the first quarter of 2008. The decrease in interest expense is also attributable to reduced market interest rates on variable rate debt and retirements of higher cost fixed rate debt.

Other (Income) and Expense was \$22 million of income in the second quarter of 2008, compared to \$39 million of expense in the second quarter of 2007. Net gains on asset sales were \$4 million and \$10 million in the 2008 and 2007 periods, respectively, related primarily to the sale of properties in Germany in 2008 and Canada in 2007. Interest income decreased by \$8 million due primarily to lower cash balances. Financing fees decreased by \$47 million due primarily to the inclusion in the 2007 period of charges totaling \$47 million related to refinancing activities and debt redemption. Fire loss expense in 2007 included expenses related to a fire at our tire manufacturing facility in Thailand. The impact of foreign currency exchange improved by \$18 million due primarily to the effect of changing exchange rates on foreign currency denominated transactions in Chile and Colombia. Miscellaneous items include royalties from licensing arrangements related to divested businesses, including recognition of deferred income from a trademark licensing agreement related to our Engineered Products business that was divested in the third quarter of 2007.

For the second quarter of 2008, we recorded tax expense of \$74 million on income from continuing operations before income taxes and minority interest of \$167 million. We record taxes based on overall estimated annual effective tax rates. Due to our projected marginal profitability in the United States, the estimated annual U.S. effective tax rate is subject to wide variability requiring us to record our U.S. taxes on a discrete item basis for the second quarter of 2008. For the second quarter of 2007, we recorded tax expense of \$51 million on income from continuing operations before income taxes and minority interest of \$96 million. Included in tax expense for the second quarter of 2007 was a net tax benefit of \$11 million (\$0.05 per share) related to prior periods. The out-of-period adjustment, in 2007, related to our correction of the inflation adjustment on equity of our subsidiary in Colombia as a permanent tax benefit rather than as a temporary tax benefit dating back as far as 1992, with no individual year being significantly affected.

Our losses in certain foreign locations in recent periods represented sufficient negative evidence to require us to maintain a full valuation allowance against our net deferred tax assets in these foreign locations. However, it is reasonably possible that sufficient positive evidence required to release all, or a portion, of these valuation allowances within the next 12 months will exist, resulting in one-time tax benefits of up to \$100 million (\$85 million, net of minority interest).

### **Rationalization Activity**

During the second quarter of 2008, \$87 million (\$83 million after-tax or \$0.34 per share) of net charges were recorded. New charges of \$87 million represent \$76 million for plans initiated in 2008 and \$11 million for plans initiated in 2007 and prior years. New charges for the 2008 plans include \$75 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$75 million related to future cash outflows and \$1 million for non-cash pension curtailments. New charges for the 2007 and prior year plans include \$10 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$11 million related to future cash outflows.

In the second quarter of 2008, we announced plans to close our Somerton, Australia manufacturing facility by December 31, 2008 as part of our strategy to reduce high-cost manufacturing capacity globally. We expect total restructuring and accelerated depreciation charges related to Somerton to be approximately \$125 million, of which approximately \$85 million is for cash charges. Included in the second quarter of 2008 was \$72 million of charges for employee severance related to the closure. CGS included a charge of \$4 million for accelerated depreciation. This action will eliminate approximately 3 million units of high-cost capacity and provide us with estimated annual cost savings of approximately \$35 million.

In addition, we completed discussions with employee unions related to our Amiens, France tire plants and as a result have increased our previously recorded rationalization reserve for employee severance by \$7 million in the second quarter of 2008.

For further information, refer to Note 2, Costs Associated with Rationalization Programs.

### **Discontinued Operations**

Discontinued operations produced net income of \$27 million, or \$0.12 per share, in the second quarter of 2007.

### ***Six Months Ended June 30, 2008 and 2007***

Net sales in the first six months of 2008 were \$10,181 million, increasing \$761 million, or 8.1%, from \$9,420 million in the first six months of 2007. We recorded income from continuing operations of \$222 million, or \$0.91 per share, in the first six months of 2008 compared to a loss from continuing operations of \$81 million, or \$0.43 per share, in the first six months of 2007. Net income of \$222 million, or \$0.91 per share, was recorded in the first six months of 2008 compared to a net loss of \$118 million, or \$0.63 per share, in the first six months of 2007.

Net sales in the first six months of 2008 were favorably impacted by \$642 million in foreign currency translation, primarily in EMEA, by price and product mix of \$550 million, mainly in North American Tire and EMEA, and an increase in other tire-related business' sales of \$206 million, primarily in North American Tire. These were offset by a decrease due to the 2007 divestiture of our Tire & Wheel Assembly operations, which contributed sales of \$336 million in the first six months of 2007, and decreased volume of approximately \$299 million, primarily in North American Tire and EMEA.

Worldwide tire unit sales in the first six months of 2008 were 95.8 million units, a decrease of 4.2 million units, or 4.2%, compared to the 2007 period. Replacement units decreased by 1.2 million units, or 1.7%, primarily in North American Tire and EMEA. North American Tire consumer replacement volume decreased 1.3 million units, or 5.4%, and EMEA consumer replacement volume decreased 0.3 million units, or 1.1%. The decline in the consumer replacement volume is due in part to weakening economic conditions in the U.S. The decrease in replacement units was partially offset by an increase in Asia Pacific consumer replacement units of 0.5 million, or 9.1%. OE units decreased by 3.0 million units, or 9.8%, primarily in North American Tire and EMEA, partially offset by an increase in Asia Pacific Tire. The significant decline in North American Tire OE volume was driven by difficult U.S. economic conditions and rising fuel prices that have reduced demand for large vehicles.

Cost of goods sold (CGS) in the first six months of 2008 was \$8,157 million, an increase of \$449 million, or 5.8%, compared to \$7,708 million in the first six months of 2007. CGS as a percentage of sales was 80.1% and 81.8% in the first six months of 2008 and 2007, respectively. CGS in the first six months of 2008 increased due to higher foreign currency translation of approximately \$496 million, \$211 million of increased costs related to other tire-related businesses, primarily in North American Tire, product mix-related cost increases of approximately \$143 million, mostly related to North American Tire and EMEA, higher raw material costs of approximately \$137 million, and higher transportation costs of \$33 million. Also unfavorably impacting CGS was approximately \$128 million of higher conversion costs, mainly in North American Tire. Reducing CGS were lower volume, primarily in North American Tire and EMEA, of approximately \$251 million, savings from rationalization plans of approximately \$42 million, and lower accelerated depreciation of approximately \$21 million. CGS also benefited from decreased costs related to the 2007 divestiture of our Tire & Wheel Assembly operations, which had costs of \$326 million in the first six months of 2007. Included in 2007 was a curtailment charge of approximately \$27 million related to the benefit plan changes announced in the first quarter of 2007.

Selling, administrative and general expense (SAG) was \$1,370 million in the first six months of 2008, compared to \$1,355 million in the first six months of 2007, an increase of \$15 million, or 1.1%. The increase was driven primarily by unfavorable foreign currency translation of approximately \$91 million. These were partially offset by decreased stock compensation expense of \$28 million primarily due to a decline in our stock price, and lower advertising expenses of \$8 million. Included in 2007 was \$37 million related to a curtailment charge for the benefit plan changes announced in the first quarter of 2007. SAG as a percentage of sales was 13.5% and 14.4% in the first six months of 2008 and 2007, respectively.

Interest expense was \$165 million in the first six months of 2008, a decrease of \$80 million compared to \$245 million in the first six months of 2007. The decrease related primarily to lower average debt levels due to the repayment of the \$300 million term loan due March 2011 in August 2007, the repayment of \$175 million of 8.625% notes due 2011 and \$140 million of 9% notes due 2015 in June 2007, and the exchange of \$346 million of our 4% convertible notes in the fourth quarter of 2007. Also decreasing debt levels was the repayment of \$200 million of floating rate notes due 2011, \$450 million of 11% notes due 2011, and \$100 million of 6 3/8% notes due 2008 during the first quarter of 2008. Also decreasing interest expense was a decline in interest rates due to reduced market interest rates on variable rate debt and retirements of higher cost fixed rate debt.

Other (Income) and Expense was \$28 million of income in the first six months of 2008, compared to \$19 million of expense in the first six months of 2007. Net gains on asset sales were \$37 million in 2008 and \$19 million in 2007, related primarily to the sale of properties in Germany, Morocco, Argentina and New Zealand in 2008 and Canada and Australia in 2007. Interest income decreased by \$9 million due primarily to lower cash balances. Financing fees included \$43 million and \$47 million of charges in the first six months of 2008 and 2007, respectively, related to refinancing activities and debt redemption. Fire loss expense in 2007 included expenses related to a fire at our tire manufacturing facility in Thailand. The impact of foreign currency exchange improved by \$12 million due primarily to the impact of changing exchange rates on foreign currency denominated transactions in Chile, Colombia and Turkey. Miscellaneous items include royalties from licensing arrangements related to divested businesses, including recognition of deferred income from a trademark licensing agreement related to our Engineered Products business that was divested in the third quarter of 2007.

For the first six months of 2008, we recorded tax expense of \$151 million on income from continuing operations before income taxes and minority interest of \$417 million. The difference between our effective tax rate and the U.S. statutory rate was primarily attributable to continuing to maintain a full valuation allowance against our net Federal and state deferred tax assets. For the first six months of 2007, we recorded tax expense of \$114 million on income from continuing operations before income taxes and minority interest of \$71 million. Included in tax expense for the first six months of 2007 was a tax benefit of \$11 million (\$0.05 per share) related to prior periods. The out-of-period adjustment, in 2007, related to our correction of the inflation adjustment on equity of our subsidiary in Colombia as a permanent tax benefit rather than as a temporary tax benefit dating back as far as 1992, with no individual year being significantly affected.

### **Rationalization Activity**

For the first six months of 2008, \$100 million (\$95 million after-tax or \$0.39 per share) of net charges were recorded. New charges of \$101 million were comprised of \$78 million for plans initiated in 2008 and \$23 million for plans initiated in 2007 and prior years. New charges for the 2008 plans include \$77 million related to associate severance costs and \$1 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$77 million related to future cash outflows and \$1 million for non-cash pension curtailments. The \$23 million of new charges for 2007 and prior year plans

consist of \$12 million of associate-related costs and \$11 million primarily for other exit costs and non-cancelable lease costs. These amounts include \$19 million related to future cash outflows and \$4 million for other non-cash exit costs. The first six months of 2008 includes the reversal of \$1 million of reserves for actions no longer needed for their originally-intended purposes. Approximately 700 associates will be released under programs initiated in 2008, most of whom will be released within the next 12 months.

During the first six months of 2008, we announced plans to close our Somerton, Australia manufacturing facility by December 31, 2008 as part of our strategy to reduce high-cost manufacturing capacity globally. We expect total restructuring and accelerated depreciation charges related to Somerton to be approximately \$125 million, of which approximately \$85 million is for cash charges. Included in the second quarter of 2008 was \$72 million of charges for employee severance related to the closure. CGS included a charge of \$4 million for accelerated depreciation. This action will eliminate approximately 3 million units of high-cost capacity and provide us with annual cost savings of approximately \$35 million.

In addition, we completed discussions with employee unions related to our Amiens, France tire plant and as a result have increased our previously recorded rationalization reserve for employee severance by \$7 million.

For further information, refer to Note 2, Costs Associated with Rationalization Programs.

### **Discontinued Operations**

Discontinued operations produced a net loss of \$37 million, or \$0.20 per share, in the first six months of 2007, which included a curtailment charge of \$72 million.

### **SEGMENT INFORMATION**

Segment information reflects our strategic business units ("SBUs"), which are organized to meet customer requirements and global competition. The Tire businesses are segmented on a regional basis. As previously mentioned, during the first quarter of 2008, we formed a new strategic business unit, Europe, Middle East and Africa Tire, by combining our former European Union Tire and Eastern Europe, Middle East and Africa Tire business units.

Results of operations are measured based on net sales to unaffiliated customers and segment operating income. Segment operating income includes transfers to other SBUs. Segment operating income is computed as follows: Net Sales less CGS (excluding certain accelerated depreciation charges and asset impairment charges) and SAG (including certain allocated corporate administrative expenses). Segment operating income also includes equity in earnings of most affiliates. Segment operating income does not include rationalization charges (credits), assets sales and certain other items.

The percentage change in tire units is calculated based on the actual number of units sold.

Total segment operating income was \$330 million in the second quarter of 2008, increasing from \$310 million in the second quarter of 2007. Total segment operating margin (total segment operating income divided by segment sales) remained consistent in the second quarter of 2008 and 2007 at 6.3%.

In the first six months of 2008, total segment operating income was \$697 million, increasing from \$536 million in the first six months of 2007. Total segment operating margin in the first six months of 2008 was 6.8%, compared to 5.7% in the first six months of 2007.

Management believes that total segment operating income is useful because it represents the aggregate value of income created by our SBUs and excludes items not directly related to SBU performance. Total segment operating income is the sum of the individual SBUs' segment operating income. Refer to Note 11, Business Segments, for further information and for a reconciliation of total segment operating income to Income from Continuing Operations before Income Taxes and Minority Interest.

## North American Tire

(In millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	Percent Change	2008	2007	Change	Percent Change
Tire Units	18.3	20.8	(2.5)	(12.1)%	36.1	40.1	(4.0)	(9.9)%
Net Sales	\$2,130	\$2,276	\$(146)	(6.4)%	\$4,127	\$4,293	\$(166)	(3.9)%
Operating Income	24	53	(29)	(54.7)%	56	33	23	69.7%
Operating Margin	1.1%	2.3%			1.4%	0.8%		

### Three Months Ended June 30, 2008 and 2007

North American Tire unit sales in the 2008 second quarter decreased 2.5 million units or 12.1% from the 2007 period. The decrease was related to a decline in replacement volume of 1.1 million units or 7.9%. The decline in consumer replacement volume is due in part to weakening economic conditions in the U.S. OE volume also decreased 1.4 million units or 20.6% as a result of lower vehicle production.

Net sales decreased \$146 million or 6.4% in the second quarter of 2008 from the 2007 period due primarily to unfavorable volume of approximately \$176 million and the 2007 divestiture of our Tire & Wheel Assembly operations, which contributed sales of \$186 million in the second quarter of 2007. This was partially offset by favorable price and product mix of approximately \$149 million, increased sales in other tire-related businesses of approximately \$58 million, primarily due to third party sales of chemical products, and favorable foreign currency translation of \$9 million.

Operating income decreased \$29 million in the second quarter of 2008 from the 2007 period. The 2008 period was unfavorably impacted by increased raw materials costs of approximately \$59 million, higher conversion costs of \$34 million, lower volume of \$28 million, decreased operating income from other tire-related businesses of \$10 million, primarily related to lower volume in Company-owned retail locations, and higher SAG expenses of \$8 million. The higher conversion costs were caused by higher plant changeover costs, lower production volume, costs associated with training new workers, and general inflation, which were offset by savings from plant closures, reduced employee benefit costs, and lower average labor rates. Partially offsetting these changes were price and product mix improvements of approximately \$107 million.

Operating income in the second quarter of 2008 did not include rationalization charges of \$2 million and gains on asset sales of \$1 million. Operating income in the second quarter of 2007 did not include approximately \$7 million of accelerated depreciation charges primarily related to the closure of the Tyler, Texas tire manufacturing operation, net rationalization charges of \$4 million and gains on asset sales of \$8 million.

### Six Months Ended June 30, 2008 and 2007

North American Tire unit sales in the first half of 2008 decreased 4.0 million units or 9.9% from the 2007 period. The decrease was related to a decline in replacement volume of 1.4 million units or 5.2%. The decline in the consumer replacement volume is due in part to weakening economic conditions in the U.S. OE volume also decreased 2.6 million units or 19.3%, primarily in our consumer business related to reduced vehicle production.

Net sales decreased \$166 million or 3.9% in the first six months of 2008 from the 2007 period due primarily to the 2007 divestiture of our Tire & Wheel Assembly operations which had contributed sales of \$336 million in the first six months of 2007, and decreased volume of approximately \$280 million. These decreases were partially offset by favorable price and product mix of approximately \$279 million, an increase in other tire-related businesses of \$148 million primarily due to third party sales of chemical products and favorable foreign currency translation of \$24 million.

Operating income increased \$23 million or 69.7% in the first six months of 2008 from the 2007 period. The 2008 period was favorably impacted by price and product mix of approximately \$174 million. Partially offsetting this improvement were increased raw material costs of approximately \$64 million, decreased volume of approximately \$47 million, higher conversion costs of \$46 million, and decreased operating income from other tire-related businesses of \$28 million primarily related to the 2007 divestiture of our Tire & Wheel Assembly operations and to lower volume in Company-owned retail locations. The higher conversion costs were caused by higher plant changeover costs, lower production volume, costs associated with training new workers, and general inflation, which were offset by savings from plant closures, reduced

employee benefit costs, and lower average labor rates. Operating income improved in 2008 by approximately \$39 million as a result of returning to more normal sales and production levels following the USW strike which negatively impacted the first quarter of 2007.

Operating income for the first six months of 2008 did not include rationalization charges of \$11 million and gains on asset sales of \$1 million. Operating income for the first six months of 2007 did not include approximately \$24 million of accelerated depreciation charges primarily related to the closure of the Tyler, Texas and Valleyfield, Quebec tire manufacturing operations, net rationalization charges of \$10 million and gains on asset sales of \$8 million.

### **Europe, Middle East and Africa Tire**

(In millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	Percent Change	2008	2007	Change	Percent Change
Tire Units	18.8	19.8	(1.0)	(4.4)%	38.8	39.9	(1.1)	(2.6)%
Net Sales	\$2,024	\$1,759	\$265	15.1%	\$3,974	\$3,447	\$527	15.3%
Operating Income	151	126	25	19.8%	323	265	58	21.9%
Operating Margin	7.5%	7.2%			8.1%	7.7%		

### ***Three Months Ended June 30, 2008 and 2007***

Europe, Middle East and Africa Tire unit sales in the 2008 second quarter decreased 1.0 million units or 4.4% from the 2007 period. Replacement volume decreased 0.6 million units or 3.6%, mainly in consumer replacement, while OE volume also decreased 0.4 million units or 6.4%.

Net sales in the second quarter of 2008 increased \$265 million or 15.1% compared to the second quarter of 2007. Favorably impacting the 2008 period was improved foreign currency translation of approximately \$208 million, improved price and product mix of approximately \$100 million, and higher sales in the other tire-related businesses of approximately \$20 million. These positive changes were partially offset by lower sales volume of approximately \$67 million.

For the second quarter of 2008, operating income increased \$25 million or 19.8% compared to 2007 due to improved price and mix of approximately \$78 million and favorable foreign currency translation of \$16 million. Offsetting these were higher raw material costs of \$37 million, decreased volume of \$14 million, higher conversion costs of \$11 million, and higher transportation costs of \$7 million. The higher conversion costs related primarily to a strike at our plants in Turkey and ongoing labor issues at our manufacturing plants in France.

Operating income in the second quarter of 2008 did not include rationalization charges of \$12 million and net gains on asset sales of \$3 million. Operating income in the second quarter of 2007 did not include net rationalization charges of \$2 million and net gains on asset sales of \$1 million.

### ***Six Months Ended June 30, 2008 and 2007***

Europe, Middle East and Africa Tire unit sales in the first six months of 2008 decreased 1.1 million units or 2.6% from the 2007 period. Replacement volume decreased 0.5 million units or 1.4%, mainly in consumer replacement, while OE volume also decreased 0.6 million units or 5.5%.

Net sales in the first six months of 2008 increased \$527 million or 15.3% compared to the first six months of 2007. Favorably impacting the 2008 period was foreign currency translation of approximately \$434 million, improved price and product mix of approximately \$162 million, and higher sales in the other tire-related businesses of approximately \$11 million. Lower volume of approximately \$80 million unfavorably impacted net sales.

For the first six months of 2008, operating income increased \$58 million or 21.9% compared to the first six months of 2007 due to improvement in price and mix of approximately \$119 million and favorable foreign currency translation of approximately \$30 million. These were offset in part by higher raw material costs of approximately \$41 million, higher conversion costs of \$18 million, lower volume of approximately \$17 million, and higher transportation costs of \$16 million. The higher conversion costs related primarily to a strike at our plants in Turkey and ongoing labor issues at our manufacturing plants in France.

Operating income in the first six months of 2008 did not include rationalization charges of \$17 million and net gains on asset sales of \$21 million. Operating income in the first six months of 2007 did not include net rationalization charges of \$7 million and net gains on asset sales of \$2 million.

### **Latin American Tire**

(In millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	Percent Change	2008	2007	Change	Percent Change
Tire Units	5.4	5.4	—	(2.1)%	10.6	10.7	(0.1)	(1.6)%
Net Sales	\$ 572	\$ 458	\$114	24.9%	\$1,102	\$ 868	\$234	27.0%
Operating Income	103	90	13	14.4%	217	168	49	29.2%
Operating Margin	18.0%	19.7%			19.7%	19.4%		

### ***Three Months Ended June 30, 2008 and 2007***

Latin American Tire unit sales in the 2008 second quarter remained consistent with the 2007 period. OE volume decreased 0.2 million units or 8.6% and replacement volume increased 0.2 million units or 1.1%.

Net sales in the 2008 second quarter increased \$114 million or 24.9% from the 2007 period. Net sales increased in 2008 due to favorable price and product mix of approximately \$50 million, the favorable impact of foreign currency translation, mainly in Brazil, of approximately \$49 million, and higher sales in the other tire-related businesses of approximately \$20 million. These increases were partially offset by lower volume of approximately \$4 million.

Operating income in the second quarter of 2008 increased \$13 million or 14.4% from the same period in 2007. Operating income was favorably impacted by price and product mix of \$43 million and foreign currency translation of approximately \$16 million. Negatively impacting operating income were increased raw material costs of approximately \$17 million, higher conversion costs of approximately \$11 million, due in part to increased compensation and energy costs, increased transportation costs of \$6 million, higher SAG expenses of \$4 million, lower profit of \$4 million due to lower intercompany sales volume, primarily to North American Tire, and decreased volume of \$2 million.

Operating income did not include rationalization charges of \$1 million in the second quarter of 2008 and gains on asset sales of \$1 million in the second quarter of 2007.

### ***Six Months Ended June 30, 2008 and 2007***

Latin American Tire unit sales in the first six months of 2008 decreased 0.1 million units or 1.6% from the 2007 period. OE volume decreased 0.3 million units or 8.4%, partially offset by an increase in replacement volume of 0.2 million units or 1.7%.

Net sales in the first half of 2008 increased \$234 million or 27.0% from the 2007 period. Net sales increased in 2008 due to the favorable impact of foreign currency translation, mainly in Brazil, of approximately \$100 million, favorable price and product mix of approximately \$99 million, and higher sales in the other tire-related businesses of approximately \$42 million. These increases were partially offset by lower volume of approximately \$6 million.

Operating income in the first half of 2008 increased \$49 million or 29.2% from the same period in 2007. Operating income was favorably impacted by price and product mix of \$79 million and foreign currency translation of approximately \$17 million. Operating income also included a gain of \$12 million related to the favorable settlement of a transactional excise tax case. Unfavorably impacting operating income were higher conversion costs of \$21 million, due in part to increased compensation and energy costs, higher raw material costs of approximately \$17 million, higher transportation costs of \$10 million, higher SAG expenses of approximately \$7 million, and lower volume of \$3 million.

Operating income in the first six months of 2008 did not include gains on asset sales of \$5 million. Operating income in the first six months of 2007 did not include net rationalization charges of \$2 million and gains on asset sales of \$2 million.



## Asia Pacific Tire

(In millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	Percent Change	2008	2007	Change	Percent Change
Tire Units	5.4	4.8	0.6	11.3%	10.3	9.3	1.0	10.3%
Net Sales	\$ 513	\$428	\$ 85	19.9%	\$ 978	\$812	\$166	20.4%
Operating Income	52	41	11	26.8%	101	70	31	44.3%
Operating Margin	10.1%	9.6%			10.3%	8.6%		

### Three Months Ended June 30, 2008 and 2007

Asia Pacific Tire unit sales in the 2008 second quarter increased 0.6 million units or 11.3% from the 2007 period. Replacement unit sales increased 0.3 million units or 7.7% and OE volume increased 0.3 million units or 18.6%, reflecting increasing demand in consumer markets, primarily in China.

Net sales in the 2008 second quarter increased \$85 million or 19.9% compared to the 2007 period due to higher volume of \$39 million, favorable foreign currency translation of approximately \$36 million, and improved price and product mix of \$8 million.

Operating income in the second quarter of 2008 increased \$11 million or 26.8% compared to the 2007 period due to improved price and product mix of approximately \$21 million and increased volume of \$8 million. Unfavorably impacting operating income was approximately \$11 million of increased raw material costs and \$8 million of increased SAG expenses, mostly due to higher marketing and sales support expenditures.

Operating income in the second quarter of 2008 did not include approximately \$4 million of accelerated depreciation charges and rationalization charges of \$72 million related to the Somerton, Australia plant closure.

### Six Months Ended June 30, 2008 and 2007

Asia Pacific Tire unit sales in the first six months of 2008 increased 1.0 million units or 10.3% from the 2007 period. Replacement unit sales increased 0.5 million units or 7.8% and OE volume increased 0.5 million units or 15.3%, reflecting increasing demand in consumer markets, primarily in China.

Net sales in the first six months of 2008 increased \$166 million or 20.4% compared to the 2007 period due to favorable foreign currency translation of approximately \$84 million, higher volume of \$67 million, favorable price and product mix of approximately \$10 million, and higher sales in the other tire-related businesses of approximately \$5 million.

Operating income in the first six months of 2008 increased \$31 million or 44.3% compared to the 2007 period due to improved price and product mix of approximately \$35 million, increased volume of \$13 million, and approximately \$5 million of favorable foreign currency translation. Unfavorably impacting operating income was approximately \$15 million of increased raw material costs and \$7 million of increased SAG expenses, mostly due to higher marketing and sales support expenditures.

Operating income in the first six months of 2008 did not include approximately \$4 million of accelerated depreciation charges and rationalization charges of \$72 million related to the Somerton, Australia plant closure. Also, operating income in the first six months of 2008 did not include gains on asset sales of \$10 million. Operating income in the first six months of 2007 did not include gains on asset sales of \$7 million.

## **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2008, we had \$2,069 million in cash and cash equivalents as well as \$2,278 million of unused availability under our various credit arrangements, compared to \$3,463 million and \$2,169 million at December 31, 2007, respectively. Cash and cash equivalents decreased primarily due to the early redemption of our \$650 million senior secured notes due 2011 and the maturity and repayment of our \$100 million 6 3/8% notes. Also decreasing cash were capital expenditures of \$476 million and increased working capital requirements, driven by an increase in inventories due to a normal seasonal increase and to weakening market conditions. We have taken active steps to lower our inventory levels in North American Tire and EMEA to reflect demand seen in those markets through reduction in production schedules at certain of our manufacturing facilities.

Cash and cash equivalents do not include restricted cash. Restricted cash primarily consists of our contributions made to a trust related to the settlement of the Entran II litigation and proceeds received pursuant to insurance settlements. In addition, we will, from time to time, maintain balances on deposit at various financial institutions as collateral for borrowings incurred by various subsidiaries, as well as cash deposited in support of trade agreements and performance bonds.

### **OPERATING ACTIVITIES**

Net cash used in operating activities from continuing operations was \$215 million in the first six months of 2008, compared to \$513 million in the comparable prior year period. The improvement was due primarily to improved earnings and lower pension contributions and direct payments. Cash flows from operating activities in 2008 were impacted adversely by greater working capital requirements for inventories, as noted above.

### **INVESTING ACTIVITIES**

Net cash used in investing activities from continuing operations was \$472 million during the first six months of 2008, compared to \$171 million during the first six months of 2007. Capital expenditures were \$476 million and \$227 million in the first six months of 2008 and 2007, respectively. The increase in capital expenditures primarily relates to projects targeted at increasing our capacity for higher value-added tires. Investing activities in the first six months of 2008 exclude \$98 million of capital expenditures that remain unpaid and accrued for at June 30, 2008. Cash flows from investing activities in 2008 included an outflow of \$46 million for the acquisition of approximately 6% of the outstanding shares of our tire manufacturing subsidiary in Poland and \$40 million of net proceeds from the sale of assets in Morocco, New Zealand, Germany and Argentina.

### **FINANCING ACTIVITIES**

Net cash used in financing activities from continuing operations was \$745 million in the first six months of 2008, compared to \$871 million for the same period in 2007. Financing activities in 2008 included the repayment of our \$650 million senior secured notes due 2011 and our \$100 million 6 3/8% notes due 2008.

### **Credit Sources**

In aggregate, we had credit arrangements of \$6,838 million available at June 30, 2008, of which \$2,278 million were unused, compared to \$7,392 million available at December 31, 2007, of which \$2,169 million were unused.

### **Outstanding Notes**

At June 30, 2008, the carrying amount of our outstanding notes was \$1,882 million, compared to \$2,634 million at December 31, 2007.

On March 3, 2008, we redeemed \$450 million in aggregate principal amount of our 11% senior secured notes due 2011 at a redemption price of 105.5% of the principal amount thereof and \$200 million in aggregate principal amount of our floating rate senior secured notes due 2011 at a redemption price of 104% of the principal amount thereof, plus in each case accrued and unpaid interest to the redemption date.

On March 17, 2008, we repaid our \$100 million 6 3/8% senior notes at their maturity.

During the second quarter of 2008, the remaining \$4 million of convertible notes were converted into approximately 0.3 million shares of Goodyear common stock.

For additional information on our outstanding notes, refer to the Note to Consolidated Financial Statements No. 7, Financing Arrangements, above, and Note to Consolidated Financial Statements No. 11, Financing Arrangements and Derivative Financial Instruments, in our 2007 Form 10-K.

#### *\$1.5 Billion Amended and Restated First Lien Revolving Credit Facility due 2013*

Our \$1.5 billion first lien revolving credit facility is available in the form of loans or letters of credit, with letter of credit availability limited to \$800 million. Our obligations under these facilities are guaranteed by most of our wholly-owned U.S. and Canadian subsidiaries. Our obligations under this facility and our subsidiaries' obligations under the related guarantees are secured by first priority security interests in a variety of collateral.

As of June 30, 2008, there were no borrowings and \$517 million of letters of credit issued under the revolving credit facility. At December 31, 2007, there were no borrowings and \$526 million of letters of credit issued under the revolving credit facility.

#### *\$1.2 Billion Amended and Restated Second Lien Term Loan Facility due 2014*

Our obligations under this facility are guaranteed by most of our wholly-owned U.S. and Canadian subsidiaries and are secured by second priority security interests in the same collateral securing the \$1.5 billion first lien revolving credit facility. At June 30, 2008 and December 31, 2007, this facility was fully drawn.

#### *€505 Million Amended and Restated Senior Secured European and German Revolving Credit Facilities due 2012*

These amended and restated facilities consist of a €350 million European revolving credit facility, with a €50 million letter of credit sublimit, and a €155 million German revolving credit facility. Goodyear and its subsidiaries that guarantee our U.S. facilities provide unsecured guarantees to support the European revolving credit facilities. Goodyear Dunlop Tires Europe B.V. ("GDTE") and certain of its subsidiaries in the United Kingdom, Luxembourg, France and Germany also provide guarantees. GDTE's obligations under the facilities and the obligations of its subsidiaries under the related guarantees are secured by first priority security interests in various collateral. As of June 30, 2008 and December 31, 2007, there were \$12 million of letters of credit issued and no borrowings under the European revolving credit facility. As of June 30, 2008 and December 31, 2007, there were no borrowings under the German revolving credit facility.

Each of these facilities has customary representations and warranties including, as a condition to borrowing, material adverse change representations in our financial condition since December 31, 2006. For a description of the collateral securing the above facilities as well as the covenants applicable to them, please refer to the Note to Consolidated Financial Statements No. 11, Financing Arrangements and Derivative Financial Instruments, in our 2007 Form 10-K.

#### *Covenant Compliance*

As of June 30, 2008, we were in compliance with the material covenants imposed by our principal credit facilities.

#### *EBITDA (Per our Amended and Restated Credit Facilities)*

Our amended and restated credit facilities state that we may only incur additional debt or make restricted payments that are not otherwise expressly permitted if, after giving effect to the debt incurrence or the restricted payment, our ratio of EBITDA (as defined in those facilities) ("Covenant EBITDA") to Consolidated Interest Expense (as defined in those facilities) for the prior four fiscal quarters would exceed 2.0 to 1.0. Certain of our senior note indentures have substantially similar limitations on incurring debt and making restricted payments. In addition, if the amount of availability under our first lien revolving credit facility plus our Available Cash (as defined in that facility) is less than \$150 million, we may not permit our ratio of Covenant EBITDA to Consolidated Interest Expense to be less than 2.0 to 1.0 for any period of four consecutive fiscal quarters.

Covenant EBITDA is a non-GAAP financial measure that is presented not as a measure of operating results but rather as a measure of these limitations imposed under our credit facilities. Covenant EBITDA should not be construed as an alternative to either (i) income from operations or (ii) cash flows from operating activities. As a limitation on our ability to incur debt in accordance with our credit facilities could affect our liquidity, we believe that the presentation of Covenant EBITDA provides investors with important information.

The following table presents a calculation of EBITDA and the calculation of Covenant EBITDA in accordance with the definitions in our amended and restated credit facilities for the three and six month periods ended June 30, 2008 and 2007. Other companies may calculate similarly titled measures differently than we do. Certain line items are presented as defined in the credit facilities and do not reflect amounts as presented in our Consolidated Statements of Operations. Those line items also include discontinued operations.

<i>(In millions)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Net (Loss) Income</b>	<b>\$ 75</b>	<b>\$ 56</b>	<b>\$ 222</b>	<b>\$ (118)</b>
Consolidated Interest Expense	76	120	165	247
United States and Foreign Taxes	74	55	151	122
Depreciation and Amortization Expense	163	146	318	309
<b>EBITDA</b>	<b>388</b>	<b>377</b>	<b>856</b>	<b>560</b>
<b>Credit Facilities Adjustments:</b>				
Other Adjustments to Net (Loss) Income <sup>(1)</sup>	—	—	—	41
Minority Interest in Net Income of Subsidiaries	18	16	44	38
Other Non-Cash Items	(6)	31	12	33
Capitalized Interest and Other Interest Related Expense	7	5	14	10
Rationalization Charges	81	10	94	34
<b>Covenant EBITDA</b>	<b>\$ 488</b>	<b>\$ 439</b>	<b>\$ 1,020</b>	<b>\$ 716</b>

(1) Includes estimated strike related losses of approximately \$34 million for North American Tire and approximately \$6 million for Engineered Products in the six months ended June 30, 2007.

#### *Other Foreign Credit Facilities*

At June 30, 2008, we had short term committed and uncommitted bank credit arrangements totaling \$611 million, of which \$311 million were unused, compared to \$564 million and \$339 million at December 31, 2007. The continued availability of these arrangements is at the discretion of the relevant lender, and a portion of these arrangements may be terminated at any time.

#### *International Accounts Receivable Securitization Facilities (On-Balance Sheet)*

On December 10, 2004, GDTE and certain of its subsidiaries entered into a five-year pan-European accounts receivable securitization facility. The facility provides €275 million of funding and is subject to customary annual renewal of back-up liquidity lines.

As of June 30, 2008, the amount available and fully utilized under this program was \$434 million compared to \$403 million as of December 31, 2007.

In addition to the pan-European accounts receivable securitization facility discussed above, subsidiaries in Australia have accounts receivable securitization programs totaling \$85 million and \$78 million at June 30, 2008 and December 31, 2007, respectively.

*Amended Pan - European Accounts Receivable Securitization Facility (On-Balance Sheet)*

On July 23, 2008, certain of our European subsidiaries amended and restated the pan-European accounts receivable securitization facility. The amendments increased the funding capacity of the facility from €275 million to €450 million and extended the expiration date from 2009 to 2015. The facility will continue to be subject to customary annual renewal of back-up liquidity commitments.

The amended facility involves an ongoing daily sale of substantially all of the trade accounts receivable of certain GDTE subsidiaries to a bankruptcy-remote French company controlled by one of the liquidity banks in the facility. It is an event of default under the amended facility if the ratio of GDTE's consolidated net indebtedness to its consolidated EBITDA is greater than 3.0 to 1.0. This financial covenant will automatically be amended to conform to the European credit facilities upon any amendment of such covenant in the European credit facilities. The defined terms used for this financial covenant are substantially similar to those included in the European credit facilities.

*Accounts Receivable Factoring Facilities (Off-Balance Sheet)*

Various subsidiaries sold certain of their trade receivables under off-balance sheet programs during 2008 and 2007. The receivable financing programs of these subsidiaries did not utilize a special purpose entity ("SPE"). At June 30, 2008 and December 31, 2007, the gross amount of receivables sold was \$179 million and \$152 million, respectively.

**Credit Ratings**

Our credit ratings as of the date of this report are presented below:

	<b>S&amp;P</b>	<b>Moody's</b>
\$1.5 Billion First Lien Credit Facility	BB+	Baa3
\$1.2 Billion Second Lien Credit Facility	BB	Ba1
European Facilities	BB+	Baa3
Floating Rate Senior Unsecured Notes, due 2009 and 8.625% Senior Unsecured Notes, due 2011	BB-	Ba3
9% Senior Unsecured Notes, due 2015	BB-	Ba3
All other Senior Unsecured	BB-	B2
Corporate Rating (implied)	BB-	Ba3
Outlook	Positive	Positive

Although we do not request ratings from Fitch, the rating agency rates our secured debt facilities (BB+) and our unsecured debt (B+).

A rating reflects only the view of a rating agency, and is not a recommendation to buy, sell or hold securities. Any rating can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

**Voluntary Employees' Beneficiary Association**

On December 28, 2006, the USW ratified the terms of a new master labor agreement ending a strike by the USW. In connection with the master labor agreement, we entered into a memorandum of understanding with the USW regarding the establishment of a VEBA intended to provide healthcare benefits for current and future USW retirees. The establishment of the VEBA is conditioned upon receiving District Court approval of a settlement of a declaratory judgment action. On July 3, 2007, the USW and several retirees filed a required class action lawsuit regarding the establishment of the VEBA in the U.S. District Court for the Northern District of Ohio. On October 29, 2007, the parties filed the signed settlement agreement within the District Court, and on December 14, 2007, the District Court preliminarily approved the settlement agreement and established the date for a fairness hearing regarding the settlement. We plan to make our contributions to the VEBA entirely in cash following the U.S. District Court's approval of the settlement. In addition, we expect to remove our liability for USW retiree healthcare benefits from our balance sheet when this settlement has received final judicial approval (including exhaustion of all appeals, if any) and we have made our contributions to the VEBA. We expect to use cash on hand and generated from operating activities, unused availability under our various credit agreements and/or proceeds received from the sale of our Engineered Products business to fund the VEBA. We do not expect our VEBA funding commitment or our inability to immediately remove our liability for USW retiree healthcare benefits from our balance sheet to have a significant impact on our liquidity or cash position. Furthermore, we do not expect our plan to fund the VEBA entirely in cash to have a significant impact on our operations or liquidity.

### ***Potential Future Financings***

In addition to our previous financing activities, we may seek to undertake additional financing actions that could include restructuring bank debt or a capital markets transaction, possibly including the issuance of additional debt or equity. Given the challenges that we face and the uncertainties of the market conditions, access to the capital markets cannot be assured.

During the third quarter of 2008, we expect to execute a financing agreement in China. The facility will provide for availability of up to 3.66 billion Renminbi and will be used to finance the relocation and expansion of our manufacturing facility in Dalian.

Future liquidity requirements also may make it necessary for us to incur additional debt. However, a substantial portion of our assets is already subject to liens securing our indebtedness. As a result, we are limited in our ability to pledge our remaining assets as security for additional secured indebtedness. In addition, no assurance can be given as to our ability to raise additional unsecured debt.

### ***Asset Acquisitions and Dispositions***

In March 2008, we acquired an additional 6.12% ownership of TC Debica, our tire manufacturing subsidiary in Poland, by purchasing outstanding shares held by minority shareholders for \$46 million. As a result of the acquisition, we recorded goodwill totaling \$28 million. We have agreed to use our reasonable best efforts to announce, between March 2008 and August 2009, a tender offer for the remaining outstanding shares of that subsidiary that we do not already own, provided that such tender offer can be accomplished without the use of substantial cash financing from Goodyear. We also have agreed to support and cooperate with TC Debica to increase its daily commercial truck tire production to meet increasing demand in Europe, dependent upon TC Debica obtaining appropriate tax incentives.

We anticipate capital investments totaling between \$1 billion and \$1.3 billion per year from 2008 to 2010.

The restrictions on asset sales imposed by our material indebtedness have not affected our strategy of divesting non-core businesses, and those divestitures have not affected our ability to comply with those restrictions.

### ***Recently Issued Accounting Standards***

In December 2007, the FASB issued SFAS No. 141 (Revised), "Business Combinations" ("SFAS No. 141 (R)"), replacing SFAS No. 141, "Business Combinations" ("SFAS No. 141"), and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an Amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 141(R) retains the fundamental requirements of SFAS No. 141, broadens its scope by applying the acquisition method to all transactions and other events in which one entity obtains control over one or more other businesses, and requires, among other things, that assets acquired and liabilities assumed be measured at fair value as of the acquisition date, that liabilities related to contingent consideration be recognized at the acquisition date and remeasured at fair value in each subsequent reporting period, that acquisition-related costs be expensed as incurred, and that income be recognized if the fair value of the net assets acquired exceeds the fair value of the consideration transferred. SFAS No. 160 establishes accounting and reporting standards for noncontrolling interests (i.e., minority interests) in a subsidiary, including changes in a parent's ownership interest in a subsidiary and requires, among other things, that noncontrolling interests in subsidiaries be classified as a separate component of equity. Except for the presentation and disclosure requirements of SFAS No. 160, which are to be applied retrospectively for all periods presented, SFAS No. 141 (R) and SFAS No. 160 are to be applied prospectively in financial statements issued for fiscal years beginning after December 15, 2008. We are currently assessing the impact SFAS No. 141 (R) and SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS No. 161”). SFAS No. 161 requires companies with derivative instruments to disclose information that would enable financial statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” and how derivative instruments and related hedged items affect a company’s financial position, financial performance and cash flows. The new requirements apply to derivative instruments and nonderivative instruments that are designated and qualify as hedging instruments and related hedged items accounted for under SFAS No. 133. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008; however, early application is encouraged. We plan to adopt SFAS No. 161 in the first quarter of 2009 and will be reporting the required disclosures in our March 31, 2009 Form 10-Q.

In April 2008, the FASB has issued Staff Position FSP FAS 142-3, “Determination of the Useful Life of Intangible Assets” (“FSP FAS 142-3”). The FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, “Goodwill and Other Intangible Assets”. The intent of the FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under other accounting principles generally accepted in the United States of America. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The guidance for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after the effective date. Certain disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date.

In May 2008, the FASB issued Staff Position APB 14-1, “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)” (“FSP APB 14-1”). The FSP specifies that issuers of convertible debt instruments that may be settled in cash upon conversion should separately account for the liability and equity components in a manner that will reflect the entity’s nonconvertible debt borrowing rate. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is not permitted. The FSP is to be applied retrospectively. In July 2004, we issued \$350 million of 4% convertible senior notes due 2034, and subsequently exchanged \$346 million of those notes for common stock and a cash payment in December 2007. The remaining \$4 million of notes were converted into common stock in May 2008. We are currently assessing the impact that FSP APB 14-1 will have on our consolidated financial statements.

## **COMMITMENTS AND CONTINGENT LIABILITIES**

### **Contractual Obligations**

Contractual obligations and commitments to make future payments as disclosed in our 2007 Form 10-K have been updated for Pension Benefits. 2008 Pension Benefits, which represent the midpoint of the range of our estimated minimum funding requirements for domestic defined benefit pension plans under current ERISA law and the midpoint of the range of our expected contributions to our funded non-U.S. pension plans, plus expected cash funding of direct participant payments to our domestic and non-U.S. pension plans, have been revised to \$375 million to reflect updated funding estimates. Other years and the significant assumptions related to pensions set forth in footnote 5 of the Commitments and Contingent Liabilities table in the 2007 Form 10-K remain unchanged.

## **FORWARD-LOOKING INFORMATION — SAFE HARBOR STATEMENT**

Certain information set forth herein (other than historical data and information) may constitute forward-looking statements regarding events and trends that may affect our future operating results and financial position. The words “estimate,” “expect,” “intend” and “project,” as well as other words or expressions of similar meaning, are intended to identify forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Form 10-Q. Such statements are based on current expectations and assumptions, are inherently uncertain, are subject to risks and should be viewed with caution. Actual results and experience may differ materially from the forward-looking statements as a result of many factors, including:

- deteriorating economic conditions in any of our major markets may materially adversely affect our operating results and financial condition;
- if we do not achieve projected savings from various cost reduction initiatives or successfully implement other strategic initiatives our operating results and financial condition may be materially adversely affected;
- a significant aspect of our master labor agreement with the USW is subject to court approval, which, if not received, could result in the termination and renegotiation of the agreement;
- we face significant global competition, increasingly from lower cost manufacturers, and our market share could decline;
- our pension plans are underfunded and further increases in the underfunded status of the plans could significantly increase the amount of our required contributions and pension expenses;
- higher raw material and energy costs may materially adversely affect our operating results and financial condition;
- continued pricing pressures from vehicle manufacturers may materially adversely affect our business;
- pending litigation relating to our 2003 restatement could have a material adverse effect on our financial condition;
- our long term ability to meet current obligations and to repay maturing indebtedness is dependent on our ability to access capital markets in the future and to improve our operating results;
- we have a substantial amount of debt, which could restrict our growth, place us at a competitive disadvantage or otherwise materially adversely affect our financial health;
- any failure to be in compliance with any material provision or covenant of our secured credit facilities could have a material adverse effect on our liquidity and our results of operations;
- our capital expenditures may not be adequate to maintain our competitive position and may not be implemented in a timely or cost-effective manner;
- our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly;
- we may incur significant costs in connection with product liability and other tort claims;
- our reserves for product liability and other tort claims and our recorded insurance assets are subject to various uncertainties, the outcome of which may result in our actual costs being significantly higher than the amounts recorded;
- we may be required to deposit cash collateral to support an appeal bond if we are subject to a significant adverse judgment, which may have a material adverse effect on our liquidity;



- we are subject to extensive government regulations that may materially adversely affect our operating results;
- our international operations have certain risks that may materially adversely affect our operating results;
- we have foreign currency translation and transaction risks that may materially adversely affect our operating results;
- the terms and conditions of our global alliance with SRI provide for certain exit rights available to SRI in 2009 or thereafter, upon the occurrence of certain events, which could require us to make a substantial payment to acquire SRI's interest in certain of our joint venture alliances (which include much of our operations in Europe);
- if we are unable to attract and retain key personnel, our business could be materially adversely affected;
- work stoppages, financial difficulties or supply disruptions at our suppliers or our major OE customers could harm our business; and
- we may be impacted by economic and supply disruptions associated with events beyond our control, such as war, acts of terror, political unrest, public health concerns, labor disputes or natural disasters.

It is not possible to foresee or identify all such factors. We will not revise or update any forward-looking statement or disclose any facts, events or circumstances that occur after the date hereof that may affect the accuracy of any forward-looking statement.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

#### **Commodity Price Risk**

The raw material costs to which our operations are principally exposed include the cost of natural rubber, synthetic rubber, carbon black, fabrics, steel cord and other petrochemical-based commodities. Approximately two-thirds of our raw materials are oil-based derivatives, whose cost may be affected by fluctuations in the price of oil. We currently do not hedge commodity prices. We do, however, use various strategies to partially offset cost increases for raw materials, including centralizing purchases of raw materials through our global procurement organization in an effort to leverage our purchasing power and expand our capabilities to substitute lower-cost raw materials.

#### **Interest Rate Risk**

We continuously monitor our fixed and floating rate debt mix. Within defined limitations, we manage the mix using refinancing and unleveraged interest rate swaps. We will enter into fixed and floating interest rate swaps to alter our exposure to the impact of changing interest rates on consolidated results of operations and future cash outflows for interest. Fixed rate swaps are used to reduce our risk of increased interest costs during periods of rising interest rates, and are normally designated as cash flow hedges. Floating rate swaps are used to convert the fixed rates of long term borrowings into short term variable rates, and are normally designated as fair value hedges. Interest rate swap contracts are thus used to separate interest rate risk management from debt funding decisions. At June 30, 2008, 62% of our debt was at variable interest rates averaging 5.73% compared to 56% at an average rate of 7.46% at December 31, 2007. The decrease in the average variable interest rate was driven by decreases in the index rates associated with our variable rate debt. We also have from time to time entered into interest rate lock contracts to hedge the risk-free component of anticipated debt issuances. As a result of credit rating actions and other related events, our access to these instruments may be limited. There were no contracts outstanding at June 30, 2008 or 2007.

The following table presents fixed rate debt information at June 30:

<i>(In millions)</i>		
<b>Fixed Rate Debt</b>	<b>2008</b>	<b>2007</b>
Carrying amount – liability	\$1,529	\$2,410
Fair value – liability	1,525	3,152
Pro forma fair value – liability	1,578	3,216

The pro forma information assumes a 100 basis point decrease in market interest rates at June 30, 2008 and 2007, respectively, and reflects the estimated fair value of fixed rate debt outstanding at that date under that assumption.

The sensitivity to changes in interest rates of our interest rate contracts and fixed rate debt was determined with a valuation model based upon net modified duration analysis. The model assumes a parallel shift in the yield curve. The precision of the model decreases as the assumed change in interest rates increases.

#### **Foreign Currency Exchange Risk**

We enter into foreign currency contracts in order to reduce the impact of changes in foreign exchange rates on consolidated results of operations and future foreign currency-denominated cash flows. These contracts reduce exposure to currency movements affecting existing foreign currency-denominated assets, liabilities, firm commitments and forecasted transactions resulting primarily from trade receivables and payables, equipment acquisitions, intercompany loans and royalty agreements and forecasted purchases and sales. Contracts hedging short-term trade receivables and payables normally have no hedging designation.

The following table presents foreign currency contract information at June 30:

<i>(In millions)</i>	<b>2008</b>	<b>2007</b>
Fair value — asset (liability)	\$ (1)	\$ (4)
Pro forma change in fair value	(121)	(67)
Contract maturities	7/08-10/19	7/07-10/19

We were not a party to any foreign currency option contracts at June 30, 2008 or 2007.

The pro forma change in fair value assumes a 10% decrease in foreign exchange rates at June 30 of each year, and reflects the estimated change in the fair value of contracts outstanding at that date under that assumption. The sensitivity of our foreign currency positions to changes in exchange rates was determined using current market pricing models.

Fair values are recognized on the Consolidated Balance Sheet at June 30 as follows:

<i>(In millions)</i>	<b>2008</b>	<b>2007</b>
Fair value – asset (liability):		
Current assets	\$ 7	\$ 3
Long term assets	8	4
Current liabilities	(16)	(11)

#### **ITEM 4. CONTROLS AND PROCEDURES.**

##### ***Management’s Evaluation of Disclosure Controls and Procedures***

We maintain “disclosure controls and procedures” which, consistent with Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, we define to mean controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and to ensure that such information is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive and financial officers, has evaluated the effectiveness of our disclosure controls and procedures. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of June 30, 2008 (the end of the period covered by this Quarterly Report on Form 10-Q).

##### ***Changes in Internal Control Over Financial Reporting***

There have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

#### **ITEM 1. LEGAL PROCEEDINGS**

##### ***Asbestos Litigation***

As reported in our Form 10-Q for the period ended March 31, 2008, we were one of numerous defendants in legal proceedings in certain state and Federal courts involving approximately 118,000 claimants relating to their alleged exposure to materials containing asbestos in products allegedly manufactured by us or asbestos materials present in our facilities. During the second quarter of 2008, approximately 1,300 new claims were filed against us and approximately 800 were settled or dismissed. The amount expended on asbestos defense and claim resolution by Goodyear and its insurance carriers during the second quarter and first six months of 2008 was \$5 million and \$9 million, respectively. At June 30, 2008, there were approximately 118,500 asbestos claims pending against us. The plaintiffs are seeking unspecified actual and punitive

damages and other relief. See Note 10, "Commitments and Contingent Liabilities" in this Form 10-Q for additional information on asbestos litigation.

Reference is made to Item 3 of Part I of our 2007 Form 10-K for additional discussion of legal proceedings.

## **ITEM 1A. RISK FACTORS**

Our 2007 Form 10-K includes a detailed discussion of our risk factors. The information presented below amends and updates our risk factors and should be read in conjunction with those prior disclosures.

Due to our announcement of increased gross cost savings targets, the risk factor set forth below has been amended and restated.

***If we do not achieve projected savings from various cost reduction initiatives or successfully implement other strategic initiatives our operating results and financial condition may be materially adversely affected.***

Our business continues to be impacted by trends that have negatively affected the tire industry in general, including industry overcapacity, which limits our ability to obtain price relief, increased competition from low-cost manufacturers, uncertain economic conditions in various parts of the world, high raw material and energy costs, weakness in the North American auto industry, and weakness in demand for consumer replacement tires in the U.S. and Europe. To the extent that increases in fuel prices or other factors cause consumers to drive fewer miles there could be a reduction in demand for replacement tires, which, if significant, could harm our business. Unlike most other tire manufacturers, we also face the continuing burden of legacy pension and postretirement benefit costs. In order to offset the impact of these trends, we continue to implement various cost reduction initiatives and expect to achieve more than \$2.0 billion in aggregate gross cost savings from 2006 through 2009 compared with 2005 through our four-point cost savings plan, which includes expected savings from continuous improvement processes, increased low-cost country sourcing, high-cost capacity reductions and reduced selling, administrative and general expenses. Included in these savings are expected ongoing savings as a result of our master labor agreement with the USW.

Our performance is also dependent on our ability to continue to improve the proportion, or mix, of higher margin tires we sell. In order to continue this improvement, we must be successful in marketing and selling products that offer higher margins such as the Assurance, Eagle and Fortera lines of tires and in developing additional higher margin tires that achieve broad market acceptance in North America and elsewhere.

We cannot assure you that these cost reduction and other initiatives will be successful. If not, we may not be able to achieve or sustain future profitability, which would impair our ability to meet our debt and other obligations and would otherwise negatively affect our financial condition and results of operations.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

The following table presents information with respect to repurchases of common stock made by us during the three months ended June 30, 2008. These shares were delivered to us by employees as payment for the exercise price of stock options as well as the withholding taxes due upon the exercise of the stock options or the vesting or payment of stock awards.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/08-4/30/08	1,008	\$ 26.62	—	—
5/1/08-5/31/08	910	\$ 27.90	—	—
6/1/08-6/30/08	6,163	\$ 23.87	—	—
Total	<u>8,081</u>	<u>\$ 24.67</u>	—	—

**ITEM 6. EXHIBITS.**

See the Index of Exhibits at page E-1, which is by specific reference incorporated into and made a part of this Quarterly Report on Form 10-Q.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GOODYEAR TIRE & RUBBER COMPANY  
(Registrant)

Date: July 31, 2008

By /s/ Richard J. Noechel  
Richard J. Noechel, Vice President and Controller  
(Signing on behalf of Registrant as a duly authorized officer of  
Registrant and signing as the principal accounting officer of Registrant.)

**THE GOODYEAR TIRE & RUBBER COMPANY**  
**Quarterly Report on Form 10-Q**  
**For the Quarter Ended June 30, 2008**  
**INDEX OF EXHIBITS**

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
3	<b>Articles of Incorporation and By-Laws</b>	
(a)	Certificate of Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated December 20, 1954, Certificate of Amendment to Amended Articles of Incorporation of the Company, dated April 6, 1993, Certificate of Amendment to Amended Articles of Incorporation of the Company, dated June 4, 1996, and Certificate of Amendment to Amended Articles of Incorporation of the Company, dated April 20, 2006, four documents comprising the Company's Articles of Incorporation, as amended (incorporated by reference, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, File No. 1-1927).	
(b)	Code of Regulations of The Goodyear Tire & Rubber Company, adopted November 22, 1955, and amended April 5, 1965, April 7, 1980, April 6, 1981, April 13, 1987, May 7, 2003, April 26, 2005, and April 11, 2006 (incorporated by reference, filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, File No. 1-1927).	
4	<b>Instruments Defining the Rights of Security Holders, Including Indentures</b>	
(a)	Specimen Nondenominational Certificate for Shares of the Common Stock, Without Par Value, of the Company (incorporated by reference, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed May 9, 2007, File No. 1-1927).	
(b)	Indenture, dated as of March 15, 1996, between the Company and Chemical Bank (now Wells Fargo Bank, N.A.), as Trustee, as supplemented on March 16, 1998, in respect of the Company's 7% Notes due 2028 (incorporated by reference, filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, File No. 1-1927).	
(c)	Indenture, dated as of March 1, 1999, between the Company and The Chase Manhattan Bank (now Wells Fargo Bank, N.A.), as Trustee (incorporated by reference, filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, File No. 1-1927), as supplemented on August 15, 2001, in respect of the Company's 7.857% Notes due 2011 (incorporated by reference, filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, File No. 1-1927).	
(d)	Indenture, dated as of June 23, 2005, among the Company, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as Trustee, in respect of the Company's 9% Senior Notes due 2015 (incorporated by reference, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed June 24, 2005, File No. 1-1927).	
(e)	Indenture, dated as of November 21, 2006, among the Company, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as Trustee, in respect of the Company's 8.625% Senior Notes due 2011 and Senior Floating Rate Notes due 2009 (incorporated by reference, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed November 22, 2006, File No. 1-1927).	
	In accordance with Item 601(b)(4)(iii) of Regulation S-K, certain instruments defining the rights of holders of long-term debt of the Company and its consolidated subsidiaries pursuant to which the total amount of securities authorized thereunder does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis are not filed herewith. The Company hereby agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.	

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
10	<b>Material Contracts</b>	
(a)	Amended and Restated General Master Purchase Agreement dated December 10, 2004, as amended and restated on May 23, 2005, August 26, 2005 and July 23, 2008, between Ester Finance Titrisation, as Purchaser, Eurofactor, as Agent, Calyon, as Joint Lead Arranger and as Calculation Agent, Natixis, as Joint Lead Arranger, Dunlop Tyres Limited, as Centralising Unit, the Sellers listed therein and Goodyear Dunlop Tires Germany GmbH.	10.1
(b)	Master Subordinated Deposit Agreement dated July 23, 2008, between Eurofactor, as Agent, Calyon, as Calculation Agent, Ester Finance Titrisation, as Purchaser, and Dunlop Tyres Limited, as Subordinated Depositor or Centralising Unit.	10.2
(c)	Master Complementary Deposit Agreement dated July 23, 2008, between Eurofactor, as Agent, Calyon, as Calculation Agent, Ester Finance Titrisation, as Purchaser, and Dunlop Tyres Limited, as Complementary Depositor or Centralising Unit.	10.3
12	<b>Statement re Computation of Ratios</b>	
(a)	Statement setting forth the Computation of Ratio of Earnings to Fixed Charges.	12.1
23	<b>Consent of Experts</b>	
(a)	Consent of Bates White, LLC	23.1
31	<b>302 Certifications</b>	
(a)	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	31.1
(b)	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	31.2
32	<b>906 Certifications</b>	
(a)	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	32.1



GOODYEAR

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**AMENDMENT NO. 3 TO THE  
GENERAL MASTER PURCHASE AGREEMENT**

**Dated 10 December 2004 as amended on 23 May 2005 and on 26 August 2005**

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**DATED 23 JULY 2008**

**between**

**ESTER FINANCE TITRISATION**

as Purchaser

**EUROFACTOR**

as Agent

**CALYON**

as Joint Lead Arranger and as Calculation Agent

**NATIXIS**

as Joint Lead Arranger

**THE SELLERS**

listed in SCHEDULE 1

**GOODYEAR DUNLOP TIRES GERMANY GMBH**

**and**

**DUNLOP TYRES LIMITED**

as Centralising Unit acting on its own behalf and on behalf of certain Sellers

**GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.**

as Former Centralising Unit



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**THIS THIRD AMENDMENT TO THE GENERAL MASTER PURCHASE AGREEMENT IS ENTERED INTO BETWEEN:**

1. **ESTER FINANCE TITRISATION**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 414 886 226, whose representative is duly authorised for the purpose of this Third Amendment (“**Ester Finance**” or the “**Purchaser**”);
2. **EUROFACTOR**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 1-3 rue du Passeur de Boulogne Immeuble Bord de Seine, 92130 Issy Les Moulineaux, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 333 871 259, whose representative is duly authorised for the purpose of this Third Amendment (“**Eurofactor**” or the “**Agent**”);
3. **CALYON**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this Third Amendment (“**CALYON**”, “**Joint Lead Arranger**” or the “**Calculation Agent**”);
4. **NATIXIS**, a limited company (*société anonyme*) incorporated under French law and duly authorised as a credit institution (*établissement de crédit*), having its registered office at 30, avenue Pierre Mendès France 75013 Paris, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Paris under the number 542 044 524, whose representatives are duly authorised for the purpose of this Third Amendment (“**NATIXIS**” or “**Joint Lead Arranger**”);
5. **DUNLOP TYRES LIMITED**, a company incorporated under the laws of England and Wales with company number 1792065 whose registered office is situated at Tyrefort, 88-89 Wingfoot Way, Birmingham B24 9HY, whose representative is duly authorised for the purpose of this Third Amendment (the “**Centralising Unit**”);
6. **The companies** listed in SCHEDULE 1 (each of them as a “**Seller**” and collectively the “**Sellers**”);
7. **GOODYEAR DUNLOP TIRES GERMANY GMBH**, a company incorporated under the laws of the Federal Republic of Germany, having its registered office at Dunlopstrasse 2, 63450 Hanau, Germany, registered with the commercial register of the local court in Hanau under number HRB 7163, whose representative is duly authorised for the purpose of this Third Amendment (“**Goodyear Dunlop Tires Germany GmbH**”).

and

8. **GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.**, a company incorporated under Dutch law, having its registered office at Deboelelaan 7, 1083 HJ, Amsterdam, The Netherlands, registered with the Companies Registry of Amsterdam under the number 34197964, whose representative is duly authorised for the purpose of this Third Amendment (the “**Former Centralising Unit**”).

All individually referred hereinafter to as an “**Amendment Party**” and collectively referred to as the “**Amendment Parties**”.

**WHEREAS:**

- (A) The Purchaser, the Agent, the Joint Lead Arrangers, the Former Centralising Unit, the Sellers (as defined at such time) and Goodyear Dunlop Tires Germany GmbH entered into, a general master purchase agreement, on 10 December 2004 (the “**General Master Purchase Agreement**”) to set out the general conditions of the acquisition and collection of the receivables trade receivables to be transferred by the Sellers to the Purchaser.
- (B) As of 23 May 2005, the Purchaser, the Agent, the Joint Lead Arrangers, the Former Centralising Unit, the Sellers (as defined at such time) and Goodyear Dunlop Tires Germany GmbH agreed to amend the General Master Purchase Agreement, to integrate Goodyear Dunlop Tires OE GmbH, as Seller, to the Securitisation Transaction (the “**First Amendment**”).
- (C) At the same time under the First Amendment, a new Issuer, Quasar, a conduit of KBC Bank N.V., a company incorporated under Belgian law and authorised as a credit institution (*établissement de crédit*), having its registered office at Havenlaan 2, B-1080 Brussels, Belgium, entered into the transaction to subscribe to units in the French *fonds commun de créances* (the “**Fund**”) set up in accordance with articles L. 214-43 to L.214-49 of the Monetary and Financial Code (*Code monétaire et financier*) and to which a receivable held by the Depositor over the Purchaser in connection with the repayment of the Senior Deposit has been assigned. Each Issuer funds the subscription of units, by issuing commercial paper (the “**Notes**”).
- (D) As of 26 August 2005, Goodyear Dunlop Tires OE GmbH, which became a party to the Securitisation Transaction on 23 May 2005, was in a position to assign cross border receivables under the German Receivables Purchase Agreement. The Purchaser, the Agent, the Joint Lead Arrangers, the Former Centralising Unit, the Sellers (as defined at such time) and Goodyear Dunlop Tires Germany GmbH agreed to enter into a second amendment (the “**Second Amendment**”) in order to (i) amend the provisions of the General Master Purchase Agreement and (ii) acknowledge and accept the amendments to the Master Subordinated Deposit Agreement and the other Receivables Purchase Agreements.
- (E) On the date hereof, the Securitisation Transaction will be restructured to enable the Purchaser to acquire future receivables, to withdraw the Italian Seller from the General Master Purchase Agreement, to include the UK Seller and Goodyear Dunlop Tires Germany GmbH as a new Seller, to increase the maximum amount of financing under the Securitisation Transaction and to replace the Former Centralising Unit by the Centralising Unit.
- (F) The Purchaser, the Agent, the Joint Lead Arrangers, the Centralising Unit, the Former Centralising Unit, the Sellers and Goodyear Dunlop Tires Germany GmbH have agreed to enter into this third amendment (the “**Third Amendment**”) in order to (i) amend the provisions of the General Master Purchase Agreement in order to set out the conditions under which existing and future trade receivables will be purchased by the Purchaser from the Sellers on an ongoing basis, (ii) withdraw the Italian Seller from the scope of the General Master Purchase Agreement, (iii) include the UK Seller and Goodyear Dunlop Tires Germany GmbH as a new Seller, (iv) increase the maximum amount of financing under the Securitisation Transaction up to €450,000,000, (v) replace the Former Centralising Unit by the Centralising Unit and (iv) acknowledge and accept the amendments or supplements to other documents related to the Securitisation Transaction, on or about the date hereof.

## IT IS HEREBY AGREED AS FOLLOWS:

### 1. DEFINITIONS

Except as otherwise defined herein, capitalised terms and expressions used in this Third Amendment shall have the same meaning as ascribed to such terms and expressions in the General Master Purchase Agreement appended to this Third Amendment, as amended and restated by this Third Amendment.

### 2. INTERPRETATION

The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference only, and shall not be used to interpret this Third Amendment.

In this Third Amendment, except if the context calls for another interpretation:

- (a) references to “**Chapters**”, “**Articles**” and “**Schedules**” shall be construed as references to the chapters, articles and schedules of this Third Amendment and references to this Third Amendment include its recitals and schedules;
- (b) headings are for convenience of reference only and shall not affect the interpretation of this Third Amendment;
- (c) words in the plural shall cover the singular and *vice versa*;
- (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (e) words appearing in this Third Amendment in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (f) references to a person shall include its permitted assignees, transferees and successors or any person deriving title under or through it;
- (g) references to a document shall mean such document, as amended, replaced by novation or varied from time to time; and
- (h) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

### 3. PURPOSE

**3.1** The purposes of this Third Amendment and the other Securitisation Documents entered into on the date hereof include:

- amending the provisions of the General Master Purchase Agreement in order to set out the conditions under which existing and future trade receivables will be purchased by the Purchaser from the Sellers on an ongoing basis;
- withdrawing the Italian Seller from the scope of the General Master Purchase Agreement;
- including the UK Seller and Goodyear Dunlop Tires Germany GmbH as a new Seller;

- increasing the maximum amount of financing under the Securitisation Transaction up to €450,000,000;
- replacing the Former Centralising Unit by the Centralising Unit; and
- acknowledging and accepting the amendments or supplements to other documents related to the Securitisation Transaction, on or about the date hereof.

**3.2** The General Master Purchase Agreement shall be amended and restated to conform to the agreement set forth in SCHEDULE 3. Therefore, as from the date of this Third Amendment, the terms and conditions of the General Master Purchase Agreement, as such terms and conditions are set out in SCHEDULE 3 to this Third Amendment, shall apply to the relevant Amendment Parties.

**3.3** This Third Amendment is being executed simultaneously with certain amendments or supplements to other documents related to the Securitisation Transaction and with new documents related to the Securitisation Transaction, including:

- (a) an amendment to the French Receivables Purchase Agreement dated 10 December 2004 entered into between the French Seller, the Purchaser, the Agent and the Centralising Unit, as amended from time to time;
- (b) an amendment to the German Receivables Purchase Agreement dated 10 December 2004 entered into between, *inter alia*, the German Sellers, the Purchaser, the Agent and the Centralising Unit, as amended from time to time;
- (c) a new Data Protection Trust Agreement;
- (d) a termination agreement with respect to an Italian receivables purchase agreement dated 10 December 2004 (as amended from time to time), entered into between, *inter alia*, an Italian subsidiary of the GOODYEAR Group (the “**Italian Seller**”), the Purchaser, the Agent and the Former Centralising Unit (the “**Italian Termination Agreement**”);
- (e) termination and release letters with respect to the Collection Account Agreements executed by such Italian Seller;
- (f) a new Spanish Receivables Purchase Agreement, governed by French law;
- (g) a termination agreement with respect to a Spanish receivables purchase agreement dated 10 December 2004 (as amended from time to time), entered into between, *inter alia*, the Spanish Seller, the Purchaser, the Agent and the Former Centralising Unit (the “**Spanish Termination Agreement**”);
- (h) amendments and supplements to the Collection Accounts Agreements;
- (i) a new UK Receivables Purchase Agreement;
- (j) a new Collection Account Agreement with respect to the UK Seller;
- (k) a new Master Complementary Deposit Agreement entered into between the Purchaser, the Agent, CALYON and the Centralising Unit; and
- (l) a new Master Subordinated Deposit Agreement entered into between the Purchaser, the Agent, CALYON and the Centralising Unit;

and each Amendment Party hereby acknowledges and accepts the terms and conditions of the agreements and letters mentioned above in this Article 3.3.

- 3.4** Each of the Amendment Parties has entered into this in accordance with and subject to the terms and conditions provided for under this Third Amendment and subject to the provisions of article 35 of the General Master Purchase Agreement. Each Seller (with the exception of the German Sellers) has appointed the Centralising Unit as its agent, to act in its name and on its behalf, to negotiate and execute this Third Amendment.

#### **4. TRANSITIONAL ARRANGEMENTS**

##### **4.1 Intermediary calendar**

Notwithstanding the provisions of the General Master Purchase Agreement (as amended and restated on the date hereof) and as a consequence of the amendments contemplated under this Third Amendment, the Amendment Parties agree that:

- any defined date falling in July 2008 and used for the management of the Securitisation Transaction shall be defined in accordance with the provisions of the General Master Purchase Agreement (before being amended and restated on the date hereof);
- by way of exception, the first “Funded Assessment Date” after the date hereof shall take place on 30 July 2008; and
- then after, each defined date used for the management of the Securitisation Transaction shall be defined in accordance with the provisions of the General Master Purchase Agreement (as amended and restated on the date hereof).

##### **4.2 Termination of the existing subordinated deposit and complementary deposit**

- 4.2.1** As a consequence of the replacement of the Former Centralising Unit by the Centralising Unit, the Amendment Parties decide and agree that, on the Settlement Date of 30 July 2008:

- any Complementary Deposit (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) made by the Former Centralising Unit in accordance with the Master Complementary Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) (the “**Existing Complementary Deposit**”); and
- any Subordinated Deposit (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) made by the Former Centralising Unit in accordance with the Master Subordinated Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) (the “**Existing Subordinated Deposit**”);

shall be reimbursed in accordance with, but subject to, the terms and conditions of this Third Amendment.

4.2.2 The Amendment Parties decide and agree that the Existing Complementary Deposit and the Existing Subordinated Deposit shall become due and payable on the Settlement Date of 30 July 2008 and that Ester Finance shall reimburse those deposits on such date as follows:

- (i) the Former Centralising Unit and Ester Finance decide and agree that a first part of the Existing Complementary Deposit and the Existing Subordinated Deposit shall be reimbursed by way of set-off (*compensation*) with the purchase back price due by the Former Centralising Unit, acting in the name and on behalf of the Italian Seller, in accordance with the Italian Termination Agreement (the “**Payment by Way of Set-off**”), it being provided that, if the amount of the purchase back price due by the Former Centralising Unit, acting in the name and on behalf of the Italian Seller, in accordance with the Italian Termination Agreement exceeds the amount of the Existing Complementary Deposit and the Existing Subordinated Deposit, the amount of such excess shall be entered on the debit of the Current Account on the Settlement Date of 30 July 2008, by way of exception to the provisions of article 6.4.2 of the General Master Purchase Agreement (before being amended and restated on the date hereof);
- (ii) with respect to any sums due under the Existing Complementary Deposit and the Existing Subordinated Deposit and which have not been paid under the Payment by Way of Set-off (the “**Remaining Sums**”), Ester Finance delegates the Centralising Unit, and the Centralising Unit and the Former Centralising Unit accept such delegation, for the payment of any sums due by the Centralising Unit under the Master Complementary Deposit Agreement and the Master Subordinated Deposit Agreement in favour of the Former Centralising Unit in accordance with articles 1275 *et seq.* of the French *Code civil*, to the extent and up to the amount of the Remaining Sums. This delegation shall be construed as a *délégation parfaite* within the meaning of article 1275 of the French *Code civil*.

4.2.3 Upon the Payment by Way of Set-off and payment of the Remaining Sums in accordance with Article 4.2.2, the Former Centralising Unit, the Purchaser, CALYON and the Agent acknowledge and agree that the Master Complementary Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) and the Master Subordinated Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) shall be terminated and the Former Centralising Unit, the Purchaser, CALYON and the Agent shall not have any rights and obligations under the Master Complementary Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) and the Master Subordinated Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof).

### 4.3 Termination of the appointment of Former Centralising Unit

Each Amendment Party herein acknowledges and expressly agrees that as from the date hereof:

- the appointment of GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V as “Centralising Unit” shall be terminated;
- GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V shall not have any rights and obligations under the General Master Purchase Agreement and any other Securitisation Documents;
- any and all rights and obligations of GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V under the General Master Purchase Agreement (before being



amended and restated on the date hereof) and any other Securitisation Documents shall be transferred to DUNLOP TYRES LIMITED under the General Master Purchase Agreement as amended hereby and any other Securitisation Documents.

#### **4.4 Withdrawal of the Italian Seller**

The Former Centralising Unit, in the name and on behalf of the Italian Seller, has declared to the Purchaser and the Joint Lead Arrangers that the Italian Seller intends to withdraw from the General Master Purchase Agreement (before being amended and restated on the date hereof) and the Transaction Documents.

The Amendment Parties confirm that:

- the request of withdrawal presented by the Former Centralising Unit and mentioned in this Article 4.4 above is acceptable and have agreed irrespective of the form required under Schedule 8 of the General Master Purchase Agreement (before being amended and restated on the date hereof); and
- any other condition of article 39 of the General Master Purchase Agreement (before being amended and restated on the date hereof) has been complied with or waived.

By way of derogation to article 39.2 of the General Master Purchase Agreement (before being amended and restated on the date hereof), each Amendment Party herein acknowledges and expressly agrees that, as from the date hereof, the Italian Seller shall not have any rights and obligations under the General Master Purchase Agreement (before being amended and restated on the date hereof).

The provisions of this article 4.4 are without prejudice to the obligations of the Centralising Unit under article 39.3 of the General Master Purchase Agreement (before being amended and restated on the date hereof).

- 4.5** By way of exception to the provisions of article 12.3.1 (v) of the General Master Purchase Agreement (before being amended and restated on the date hereof) and in order to take into account the specificities of the transitional operations to be conducted on or about on the Settlement Date of 30 July 2008, the Agent shall give notice before 5.00 pm on the Calculation Date preceding such Settlement Date to the Centralising Unit acting, as the case may be, on its own behalf or on behalf of the Sellers, of the relevant calculations (with supporting details) carried out pursuant to the General Master Purchase Agreement (before being amended and restated on the date hereof) and this Third Amendment, in order to provide the information needed, as the case may be, for the payment to be made on the following Settlement Date pursuant to article 6.3 of the General Master Purchase Agreement (before being amended and restated on the date hereof) and this Third Amendment. Such notice shall be in the form of SCHEDULE 4.
- 4.6** If there is any conflict between (i) the provisions of the General Master Purchase Agreement (before being amended and restated on the date hereof), the Master Complementary Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof), the Master Subordinated Deposit Agreement (as defined in the General Master Purchase Agreement before being amended and restated on the date hereof) and any Receivables Purchase Agreement and (ii) the provisions of this Third Amendment, the provisions of this Third Amendment shall prevail.

## 5. TERM

This Third Amendment shall take effect on the date hereof provided that all conditions precedent set out in SCHEDULE 2 and Article 6 hereto have been fulfilled.

By way of exception, the Third Amendment shall only take effect *vis-à-vis* the UK Seller upon the execution and entry into force of a Collection Account Agreement with respect to such UK Seller.

## 6. CONDITIONS PRECEDENT TO THE EXECUTION OF THIS THIRD AMENDMENT

Prior to the execution of this Third Amendment:

- (a) the Rating Agencies have:
  - (i) been informed of the contemplated amendment;
  - (ii) confirmed that the amendments contemplated therein will not entail a downgrading or withdrawal of the current ratings of the Notes issued by the Issuer in accordance with the provisions of article 35 of the General Master Purchase Agreement (before being amended and restated on the date hereof); and
- (b) each Issuer and each Liquidity Bank has given its prior written consent to such Third Amendment.

## 7. REPRESENTATIONS AND WARRANTIES

Each Seller, Goodyear Dunlop Tires Germany GmbH, the Centralising Unit and the Former Centralising Unit represents and warrants to the Purchaser, on the date hereof, that:

- (a) - in the case of the French Seller, it is a limited company (*société anonyme*) duly incorporated and validly existing under French law,
- in the case of the German Parties, it is either a limited partnership (*Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft*) or a limited liability company (*Gesellschaft mit beschränkter Haftung*), duly established and validly existing under German law,
- in the case of the Spanish Seller, it is a corporation (*sociedad anónima*) duly incorporated and validly existing under Spanish law,
- in the case of the Former Centralising Unit, it is a limited liability company duly incorporated and validly existing under Dutch law, or
- in the case of the Centralising Unit, it is a limited company duly incorporated and validly existing under the laws of England and Wales;
- (b) it has the capacity (i) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where failure of such capacity would not be reasonably likely to result in a Material Adverse Effect, and (ii) to enter into and perform its obligations under the Third Amendment;
- (c) the execution of this Third Amendment (i) does not require any corporate or other authorisation that it has not already obtained and provided to the Purchaser, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect

and (ii) in the case of the Centralising Unit, it has been appointed and has obtained all necessary corporate authorisations and powers from each Seller (other than the German Sellers) to execute this Third Amendment on its behalf;

- (d) except to the extent that no Material Adverse Effect would be reasonably likely to result, the execution of the Third Amendment and the performance of its obligations under the Third Amendment will not contravene (i) any of the provisions of its articles of association or of any other of its constitutional documents, (ii) any laws or regulations applicable to it, or (iii) any contractual obligations, negative pledges, agreements or undertakings to which it is a party or by which it is bound; and
- (e) the Third Amendment constitutes its legal, valid and binding obligations and is enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

## **8. RECOURSE – NO PETITION**

Each of the Sellers, Goodyear Dunlop Tires Germany GmbH, the Centralising Unit, the Former Centralising Unit, CALYON, NATIXIS and the Agent:

- (a) waives any right that it may have to initiate any proceeding whatsoever in relation to the liability of ESTER FINANCE TITRISATION, except in the event of ESTER FINANCE TITRISATION's gross negligence (*faute lourde*) or wilful misconduct (*faute dolosive*); and
- (b) irrevocably and unconditionally undertakes and agrees:
  - not to exercise any right of contractual or other recourse which it may have against ESTER FINANCE TITRISATION in the event of a breach by ESTER FINANCE TITRISATION any of its obligations under this Third Amendment, except in the event of gross negligence (*faute lourde*) or willful misconduct (*dol*) of ESTER FINANCE TITRISATION; and
  - not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE TITRISATION, the purpose of which is the appointment of a conciliator or an *ad hoc* agent, or the opening of receivership proceedings or insolvency proceedings or any other similar proceedings.

## **9. NO NOVATION**

**9.1** The Third Amendment does not create any novation of the General Master Purchase Agreement. The Amendment Parties agree that the provisions of the General Master Purchase Agreement, as amended and restated by this Third Amendment, shall remain in full force and effect.

**9.2** The Amendment Parties accept that any reference to the General Master Purchase Agreement in another contract entered by one Third Amendment Party is interpreted as a reference to the General Master Purchase Agreement as modified by the Third Amendment.

## **10. SIGNATURES AND REGISTRATION**

**10.1** In order to simplify the signatures formalities of the Third Amendment, the Amendment Parties agree to execute each original copy without initialling each page.

**10.2** The Amendment Parties hereby agree not to register this Third Amendment with the French tax administration, although if one Amendment Party elects to do so, it shall carry out such a registration at its own expense.

# **11. GOVERNING LAW — JURISDICTION**

**11.1** This Third Amendment shall be governed by, and construed in accordance with, French law.

**11.2** Any dispute as to the validity, interpretation, performance or any other matter arising out of this Third Amendment shall be subject to the jurisdiction of the competent courts of Paris. The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Made in Paris, on 23 July 2008 in fourteen (14) originals by:

**GOODYEAR DUNLOP TIRES FRANCE**

*Acting through Dunlop Tyres Limited.*

**GOODYEAR DUNLOP TIRES ESPAÑA, S.A.**

*Acting through Dunlop Tyres Limited.*

By: \_\_\_\_\_

Duly authorised for the purpose of executing this Third Amendment

**DUNLOP TYRES LIMITED**

By: \_\_\_\_\_

Duly authorised for the purpose of executing this Third Amendment

**GOODYEAR GmbH & Co. KG**

*Acting through Dunlop Tyres Limited*

By: \_\_\_\_\_

Duly authorised for the purpose of executing this Third Amendment

**GOODYEAR DUNLOP TIRES GERMANY GMBH**

By: \_\_\_\_\_

Duly authorised for the purpose of executing this Third Amendment

**FULDA REIFEN GmbH & Co. KG**

*Acting through Dunlop Tyres Limited*

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

**DUNLOP GmbH & Co. KG**  
*Acting through its general partner RVM Reifen*  
*Vertriebsmanagement GmbH*

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

**GOODYEAR DUNLOP TIRES OE GmbH**

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

**M-PLUS MULTIMARKENMANAGEMENT GmbH &  
 Co. KG**  
*Acting through its general partner RVM Reifen*  
*Vertriebsmanagement GmbH*

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

**GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.**

\_\_\_\_\_  
**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
 Amendment

**EUROFACTOR**

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

**ESTER FINANCE TITRISATION**

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

**CALYON**

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

**NATIXIS**

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**By:** \_\_\_\_\_

Duly authorised for the purpose of executing this Third  
Amendment

**SCHEDULE 1  
LIST OF SELLERS**

Seller	Register number	Country of the Seller
GOODYEAR DUNLOP TIRES FRANCE S.A.	RCS NANTERRE 330 139 403	FRANCE
FULDA REIFEN GMBH & CO. KG	HRA 1525 (FULDA)	GERMANY
M-PLUS MULTIMARKENMANAGEMENT GMBH & CO. KG	HRA 5601 (HANAU)	GERMANY
GOODYEAR GMBH & CO. KG	HRA 1508 (FULDA)	GERMANY
DUNLOP GMBH & CO. KG	HRA 5595 (HANAU)	GERMANY
GOODYEAR DUNLOP TIRES OE GmbH	HRB 91597 (HANAU)	GERMANY
GOODYEAR DUNLOP TIRES ESPAÑA, S.A.	REGISTERED WITH THE COMMERCIAL REIGSTRY OF MADRID UNDER SHEET 110718	SPAIN
GOODYEAR DUNLOP TYRES UK LTD	223064 (Birmingham)  Mercantil)	UNITED KINGDOM

**SCHEDULE 2**  
**CONDITIONS PRECEDENT TO THE ENTRY INTO FORCE OF THE THIRD AMENDMENT**

This Third Amendment shall not take effect unless and until the Purchaser, the Issuers and the Liquidity Banks have received, on the Amendment Date:

- (a) the following documents and have determined that the same are satisfactory in form and substance:
  - (i) from each Seller or German Party, a copy of (x) the current organisational documents of the Seller or German Party, and (y) any regulatory or governmental licence, authorisation, consent or approval necessary or advisable for the execution of and performance of its obligations under the Transaction Documents to which it is a party, certified to be true, complete and up-to-date by a duly authorised representative of the Seller or German Party;
  - (ii) from each Seller (except the UK Seller) or German Party, an extract:
    - (1) in the case of the French Sellers, from the Trade and Companies Registry (*Registre du Commerce et des Sociétés*);
    - (2) in the case of the German Parties, from the Commercial Register of the local court (*Amtsgericht*) pertaining to it;
    - (3) in the case of the Spanish Seller, from the Commercial Registry (*Registro Mercantil*);
 in each case dating from less than thirty (30) days prior to the Amendment Date, certified up-to-date by a duly authorised representative of the Seller or the German Party;
  - (iii) from the UK Seller a copy, certified true by a duly authorised representative of the UK Seller of:
    - (1) its latest annual accounts on a consolidated and non consolidated basis (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, if any;
    - (2) the report of its board of directors and statutory auditors relating thereto, if any; and
    - (3) an extract of the minutes of the UK Seller's shareholders' annual general meeting approving the said accounts;
  - (iv) a certificate issued by a duly authorised representative of the UK Seller to the effect that, between the closing date of the accounts specified in paragraph (iii) above and the Amendment Date, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial situation, or which is



reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party;

- (v) a certificate issued by a duly authorised representative of the UK Seller to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the UK Seller, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
- (vi) a list of the names of those persons who would be authorised to execute and to act for the performance of its obligations under the Transaction Documents to which it is a party (with specimen signatures);
- (vii) (1) a copy of any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party (notarised, as necessary, for the Spanish Seller and the German Parties); and (2) all corporate authorisations that might be required in respect of the execution and performance of the Transaction Documents to which it is a party, certified to be true by a duly authorised representative of the Seller or German Party;
- (viii) a UK Seller's Solvency Certificate drawn up on the Amendment Date;
- (ix) a legal opinion from each Seller and German Party's external legal counsel in agreed form;
- (x) in the case of the Spanish Seller, (1) a notarised power of attorney in favour of the Centralising Unit in order to enable the latter to deliver and to execute the Transfer Deeds, to make and to receive payments and more generally to do all things and perform all acts incidental or reasonably necessary in connection with the Transaction Documents (including, without limitation, the giving or the receipt of instructions) in the name and on behalf of the Spanish Seller, (2) a notarised irrevocable power of attorney in favour and for the benefit of the Purchaser which may be sub-delegated, in order to enable the Purchaser to make effective the transfer of any security interest related to the Sold Receivables vis-à-vis the relevant debtor/guarantor and third parties, and (3) evidence that the Bank of Spain has duly delivered the required "número de operación financiera" (financial transaction number);
- (xi) an in-house legal opinion of the internal counsel of each Seller or German Party in agreed form;

- (b) the following documents from the Former Centralising Unit and has determined that the same are satisfactory in form and substance:
- (i) a copy of (1) the current articles of association of the Former Centralising Unit, and (2) any regulatory or governmental licence, authorisation, consent or approval necessary or advisable for the execution of and performance of its obligations under the Transaction Documents to which the Former Centralising Unit is a party, certified to be true, complete and up-to-date by a duly authorised representative of the Former Centralising Unit;
  - (ii) an extract from the Chamber of Commerce (*kamer van koophandel*) dating from less than thirty (30) days prior to the Amendment Date, certified to be up-to-date by a duly authorised representative of the Former Centralising Unit;
  - (iii) a certificate issued by a duly authorised representative of the Former Centralising Unit to the effect that (1) from its incorporation, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial situation, or which is reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party and (2) a certificate issued by a duly authorised representative of the Former Centralising Unit to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the Former Centralising Unit, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
  - (iv) a copy of any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party (notarised and apostilled pursuant to the Hague Convention, dated October 5, 1961 for the purposes of the execution of the Receivables Purchase Agreement to be entered into with the Spanish Seller and the German Receivables Purchase Agreement) as well as all corporate authorisations that might be required in respect of the execution and performance of the Transaction Documents to which it is a party, certified true by a duly authorised representative of the Former Centralising Unit;
  - (v) a legal opinion from the Former Centralising Unit's external legal counsel in agreed form;
  - (vi) the Former Centralising Unit's Solvency Certificate drawn up on the Amendment Date;
  - (vii) an in-house legal opinion of the internal counsel of the Former Centralising Unit in agreed form;
- (c) the following documents from the new Centralising Unit and has determined that the same are satisfactory in form and substance:
- (i) a copy of (1) the current articles of association of the Centralising Unit, and (2) any regulatory or governmental licence, authorisation, consent or approval necessary or advisable for the execution of and performance of its obligations under the Transaction Documents to which the

Centralising Unit is a party, certified to be true, complete and up-to-date by a duly authorised representative of the Centralising Unit;

- (ii) a certificate issued by a duly authorised representative of the Centralising Unit to the effect that (1) from its incorporation, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial situation, or which is reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party and (2) a certificate issued by a duly authorised representative of the Centralising Unit to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the Centralising Unit, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
  - (iii) a list of the names of those persons who would be authorised to execute and to act for the performance of its obligations under the Transaction Documents to which the Centralising Unit is a party (with specimen signatures), certified true by a duly authorised representative of the Centralising Unit;
  - (iv) a copy of any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party (notarised and apostilled pursuant to the Hague Convention, dated October 5, 1961 for the purposes of the execution of the Receivables Purchase Agreement to be entered into with the Spanish Seller and the German Receivables Purchase Agreement) as well as all corporate authorisations that might be required in respect of the execution and performance of the Transaction Documents to which it is a party, certified true by a duly authorised representative of the Centralising Unit;
  - (v) a legal opinion from the Centralising Unit's external legal counsel in agreed form;
  - (vi) the Centralising Unit's Solvency Certificate drawn up on the Amendment Date;
  - (vii) an in-house legal opinion of the internal counsel of the Centralising Unit in agreed form;
  - (viii) an original copy of a letter executed by the Sellers and the other signatories thereto in relation to the limitation of recourse of creditors of Ester Finance Titrisation regarding the Goodyear Securitisation Transaction in form and substance satisfactory to Ester Finance Titrisation;
- (d) the Comfort Letter; and
- (e) the Performance Letter.

**SCHEDULE 3**  
**AMENDED AND RESTATED GENERAL MASTER PURCHASE AGREEMENT**

**GENERAL MASTER PURCHASE AGREEMENT  
IN RELATION TO THE SECURITISATION OF TRADE RECEIVABLES OF CERTAIN  
EUROPEAN SUBSIDIARIES OF THE GOODYEAR GROUP**

---

DATED 10 DECEMBER 2004

AS AMENDED AND RESTATED ON 23 MAY 2005, ON 26 AUGUST 2005 AND ON 23 JULY 2008

**between**

**ESTER FINANCE TITRISATION**  
as Purchaser

**and**

**EUROFACTOR**  
as Agent

**and**

**CALYON**  
As Joint Lead Arranger and as Calculation Agent

**and**

**NATIXIS**  
as Joint Lead Arranger

**and**

**DUNLOP TYRES LIMITED**  
as Centralising Unit

**and**

**THE SELLERS**  
listed in SCHEDULE 9

**and**

**GOODYEAR DUNLOP TIRES GERMANY GMBH**



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\* Certain schedules have been intentionally omitted from this filing. The Company hereby agrees to furnish a copy of any omitted schedule to the Securities and Exchange Commission upon request.

**BETWEEN**

1. **ESTER FINANCE TITRISATION**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 414 886 226, whose representative is duly authorised for the purpose of this Agreement (the “**Purchaser**”);
2. **EUROFACTOR**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 1-3 rue du Passeur de Boulogne Immeuble Bord de Seine, 92130 Issy Les Moulineaux, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 333 871 259, whose representative is duly authorised for the purpose of this Agreement (the “**Agent**”);
3. **CALYON**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this Agreement (“**CALYON**”, “**Joint Lead Arranger**” or the “**Calculation Agent**”);
4. **NATIXIS**, a limited company (*société anonyme*) incorporated under French law and duly authorised as a credit institution (*établissement de crédit*), having its registered office at 30, avenue Pierre Mendès France 75013 Paris, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Paris under the number 542 044 524, whose representatives are duly authorised for the purpose of this Agreement (“**NATIXIS**” or “**Joint Lead Arranger**”);
5. **DUNLOP TYRES LIMITED**, a company incorporated under the laws of England and Wales with company number 1792065 whose registered office is situated at Tyrefort, 88-89 Wingfoot Way, Birmingham B24 9HY, whose representative is duly authorised for the purpose of this Agreement (the “**Centralising Unit**”);
6. **The companies** listed in SCHEDULE 9 (each of them as a “**Seller**” and collectively the “**Sellers**”);
7. **GOODYEAR DUNLOP TIRES GERMANY GMBH**, a company incorporated under the laws of the Federal Republic of Germany, having its registered office at Dunlopstrasse 2, 63450 Hanau, Germany, registered with the commercial register of the local court in Hanau under number HRB 7163 (“**Goodyear Dunlop Tires Germany GmbH**”).

The Purchaser, the Centralising Unit, the Calculation Agent, the Joint Lead Arrangers, the Agent, the Sellers and Goodyear Dunlop Tires Germany GmbH are hereafter referred to each as a “**Party**” and together as the “**Parties**”.

**WHEREAS:**

- (A) GOODYEAR DUNLOP TIRES France S.A., (the “**French Seller**”), FULDA REIFEN GmbH & Co. KG, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co. KG, GOODYEAR GmbH & Co. KG, DUNLOP GmbH & Co. KG, GOODYEAR DUNLOP TIRES OE GmbH (the “**German Sellers**”), GOODYEAR DUNLOP TIRES Italia SPA (the “**Italian Seller**”), GOODYEAR DUNLOP TIRES España, S.A. (the “**Spanish Seller**”) and GOODYEAR DUNLOP TYRES UK Ltd (the “**UK Seller**”) are in the business of manufacturing and/or supplying tyres and activities relating thereto, and hold receivables over certain customers. The German Sellers and Goodyear Dunlop Tyres Germany GmbH shall be referred to herein as “**German Parties**” and each as a “**German Party**”.
- (B) In order to provide financing to certain European subsidiaries of GOODYEAR, CALYON and NATIXIS have proposed to set up a securitisation transaction by way of the sale, on an ongoing basis, of trade receivables resulting from the ordinary business of the Sellers in Belgium, the United Kingdom, France, Germany, Italy and Spain (the “**Securitisation Transaction**”).
- (C) Pursuant to the Securitisation Transaction and with respect to the French Seller, the German Sellers (except GOODYEAR DUNLOP TIRES OE GmbH), the Spanish Seller and the UK Seller, existing and future trade receivables will be purchased by the Purchaser from those Sellers on an ongoing basis and in accordance with the receivables purchase agreements governed by French law, German law and/or English law (the “**Receivables Purchase Agreements**”). Notwithstanding the foregoing, GOODYEAR DUNLOP TIRES OE GmbH will assign domestic receivables governed by German law and cross border receivables governed by French law, English law, Belgian law, German law, Italian law or Spanish law under the Receivables Purchase Agreement to which it is a party, in each case in accordance with the provisions of the law applicable to such receivable (and, as regards the receivables sold by the Spanish Seller, under French law).
- (D) The Purchaser has agreed to acquire certain existing trade receivables (the “**Remaining Purchasable Receivables**”) and future trade receivables (the “**Ongoing Purchasable Receivables**”) held and to be held by the Sellers subject to the terms and conditions contained in this Agreement and in the Receivables Purchase Agreements.
- (E) The Purchaser shall fund the acquisition of Ongoing Purchasable Receivables, Remaining Purchasable Receivables, Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables:
- (i) partly out of a senior deposit (the “**Senior Deposit**”) effected by the Depositor with the Purchaser in accordance with a master senior deposit agreement (the “**Master Senior Deposit Agreement**”); and
  - (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a subordinated deposit (the “**Subordinated Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master subordinated deposit agreement (the “**Master Subordinated Deposit Agreement**”) and (b) a complementary deposit (the “**Complementary Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master complementary deposit agreement (the “**Master Complementary Deposit Agreement**”).
- (F) The receivable held by the Depositor over the Purchaser in connection with the repayment of the Senior Deposit shall be assigned to a French *fonds commun de créances* (the “**Fund**”) set up in accordance with Article L.214-5 and Articles L.214-43 to L.214-49 of the Monetary and Financial Code (*Code monétaire et financier*) which shall issue related units to be subscribed by LMA S.A., Elixir Funding Limited, Quasar and any other Issuer which

participates in the Securitisation Transaction. Each Issuer shall fund the subscription of units, by issuing commercial paper (the “Notes”).

- (G) The Centralising Unit shall be appointed by the Sellers to act as their agent (*mandataire*) for the purposes of carrying out certain activities, in accordance with the provisions of this general master purchase agreement, including the execution of certain amendments hereto (the “**General Master Purchase Agreement**” or the “**Agreement**”).
- (H) For the purposes of the General Master Purchase Agreement and the relevant Receivables Purchase Agreement, the Purchaser shall appoint the Sellers for the recovery of collections in accordance with a Collection Mandate (the “**Collection Mandate**”).
- (I) Due to the number of Sellers and the different Receivables Purchase Agreements under which Ongoing Purchasable Receivables and Remaining Purchasable Receivables will be purchased by the Purchaser, the parties have agreed to enter into this General Master Purchase Agreement in order to set out a Master Definitions Schedule, common terms, representations and warranties, general covenants and all other provisions provided for by this General Master Purchase Agreement that will apply in respect of the Receivables Purchase Agreements.
- (J) GOODYEAR has decided to re-organize the German sub-group as follows (together, the “**German Re-organisation**”):
- in a first re-organization step, each of Fulda Reifen GmbH & Co. KG, M-Plus Multimarkenmanagement GmbH & Co. KG, Dunlop GmbH & Co. KG and Goodyear GmbH & Co. KG are intended to enter into an “atypical” business management agreement (*unechter Betriebsführungsvertrag*, each a “**BMA**”) with a German limited liability company (each a “**Nominee Company**”). Under each of these BMAs, each of such German Sellers (as principal) are intended to authorize the respective Nominee Company (as business manager) to conduct its business in the Nominee Company’s own name but for account (*im eigenen Namen und für fremde Rechnung*) of such German Seller. The BMAs are currently scheduled to become effective on 1 September 2008. The period of time between the implementation of this first re-organization step and the implementation of the second re-organization step referred to below shall be referred to as (the “**Intermediate Structure**”);
  - in a second re-organization step, RVM Reifen Vertriebsmanagement GmbH (“**RVM**”) is intended to be merged into Goodyear Dunlop Tires Germany GmbH, with Goodyear Dunlop Tires Germany GmbH being the surviving entity. As a consequence of this merger, each of Fulda Reifen GmbH & Co. KG, M-Plus Multimarkenmanagement GmbH & Co. KG, Dunlop GmbH & Co. KG and Goodyear GmbH & Co. KG shall cease to exist without liquidation and all of their assets and liabilities (including their respective rights and obligations under the BMAs with the Nominee Companies) shall pass to Goodyear Dunlop Tires Germany GmbH by operation of law (*Anwachsung*) with legal effect as of the registration of the merger with the commercial registers, which is currently scheduled for 1 October 2008. The period of time following the implementation of this second re-organization step shall be referred to as the “**Final Structure**”. As a consequence of the implementation of the Final Structure, Goodyear Dunlop Tires Germany GmbH and Goodyear Dunlop Tires OE GmbH shall be the sole German Sellers, save further application of Article 40 (*Accession of New Sellers*).

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**CHAPTER I  
INTERPRETATION**

**1. DEFINITIONS**

Capitalised terms and expressions used in this Agreement shall have the same meaning as ascribed to such terms and expressions in the Master Definitions Schedule set out in SCHEDULE 1 hereto. The schedules hereto shall form an integral part of this Agreement.

**2. INTERPRETATION**

The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference only, and shall not be used to interpret this Agreement.

In this Agreement, except if the context calls for another interpretation:

- (i) references to “**Chapters**”, “**Articles**” and “**Schedules**” shall be construed as references to the chapters, articles and schedules of this Agreement and references to this Agreement include its recitals and schedules;
- (ii) headings are for convenience of reference only and shall not affect the interpretation of this Agreement;
- (iii) words in the plural shall cover the singular and *vice versa*;
- (iv) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (v) words appearing in this Agreement in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (vi) references to a person shall include its permitted assignees, transferees and successors or any person deriving title under or through it;
- (vii) references to a document shall mean such document, as amended, replaced by novation or varied from time to time;
- (viii) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

## CHAPTER II

### PURPOSE — TERM — CONDITIONS PRECEDENT

#### 3. PURPOSE OF THIS AGREEMENT

- 3.1** Pursuant to the terms and conditions of this Agreement, the relevant Receivables Purchase Agreements and, where applicable, the relevant Transfer Deeds, the Sellers shall sell Ongoing Purchasable Receivables and Remaining Purchasable Receivables to the Purchaser and the Purchaser shall purchase Ongoing Purchasable Receivables and Remaining Purchasable Receivables from the Sellers on each Funded Settlement Date during the Replenishment Period.
- 3.2** The parties agree that the Purchaser shall fund the acquisition of Ongoing Purchasable Receivables, Remaining Purchasable Receivables, Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables as follows:
- (i) partly out of a Senior Deposit effected by the Depositor with the Purchaser in accordance with the Master Senior Deposit Agreement, for an amount which shall not exceed the Maximum Amount of the Program, as determined in accordance with Article 7 (*Amount of the Purchaser's Funding*);
  - (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a Subordinated Deposit to be effected by the Centralising Unit with the Purchaser in accordance with the provisions of the Master Subordinated Deposit Agreement and (b) a Complementary Deposit to be effected by the Centralising Unit with the Purchaser in accordance with the provisions of the Master Complementary Deposit Agreement, for an amount which shall not exceed the Maximum Amount of the Complementary Deposit.
- 3.3** The parties hereby acknowledge that the Centralising Unit is acting for the purposes of this Agreement, in its own name and behalf, but also in the name and on behalf of the Sellers, pursuant to the terms of a mandate (*mandat*) expressly granted by each of the Sellers to the Centralising Unit and which the Centralising Unit hereby accepts. By virtue of this mandate, the Sellers appoint the Centralising Unit to act in their name and on their behalf and to perform the following obligations in accordance with the provisions of the Transaction Documents: (i) receive all Payments due by the Purchaser to the Sellers in respect of the Sold Receivables, (ii) make any payment due by the Sellers to the Purchaser and the Agent pursuant to the Transaction Documents, such payments covering *inter alia* the amount due in respect of Actual Collections or Adjusted Collections, (iii) enter into the Current Account relationship set forth in Article 6, (iv) negotiate with the Purchaser, in particular upon the occurrence of any of the events set out in Articles 13, 14 and 15, such negotiation to be conducted outside the UK (v) deliver to the Purchaser on each Funded Settlement Date during the Replenishment Period, the Transfer Deeds received from the Sellers or executed by the Centralising Unit and, on each Information Date, the List of Purchasable Receivables, (vi) receive or give any notices, mails, or documents provided pursuant to the Transaction Documents, (vii) exercise any rights arising in respect of the Transaction Documents (with the exception of the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement, in respect of which the Centralising Unit acts in its own name and on its own behalf), (viii) deliver to the Purchaser the Assessment Reports substantially in the form set out in SCHEDULE 3 and (ix) to carry out any powers it has as agent of the Seller as set out in Articles 35 and 40, including the negotiation and execution of any amendments provided for under Articles 35 and 40, provided that nothing in this Agreement shall give the Centralising Unit authority to act on behalf of the Purchaser and in particular it will not perform the obligations of the Sellers under Articles 24 and 25.

The Sellers and the Centralising Unit have entered into the Intercompany Arrangements, which provide, among other things, for the allocation of all sums due and/or received in connection with the Transaction Documents to which each Seller and the Centralising Unit is a party. Such Intercompany Arrangements shall provide *inter alia* that each Seller has an effective recourse against the defaulting Seller, the other Sellers and GOODYEAR DUNLOP TIRES EUROPE BV for any payment that any Seller or the Centralising Unit may be required to make under the joint and several liability provisions provided for under Article 3.6. The Sellers and the Centralising Unit hereby irrevocably and unconditionally undertake to refrain from exercising any rights of recourse against the Purchaser, the Agent, CALYON and/or NATIXIS in connection with such allocation.

- 3.4** The parties agree that the Purchaser shall appoint the Sellers to act as collection agents for the servicing of the Sold Receivables, in accordance with the provisions of Article 21.
- 3.5** This Agreement shall apply automatically to any Transfer Deed delivered by the Centralising Unit, acting in the name and on behalf of a Seller to the Purchaser or any other similar document agreed between a Seller and the Purchaser, pursuant to the relevant Receivables Purchase Agreement.

**3.6 Joint and several liability**

- 3.6.1** The parties agree that the obligations of each Seller under this Agreement shall be several but not joint, and shall be construed as if each Seller had entered into a separate agreement with the Purchaser.
- 3.6.2** By way of exception to the foregoing, each Seller, Goodyear Dunlop Tires Germany GmbH and the Centralising Unit shall be jointly and severally liable to the Purchaser for the payment by a Seller, GOODYEAR DUNLOP TIRES EUROPE BV and/or the Centralising Unit of (i) any sums due under the Transaction Documents and notably (without limitation) for the transfer of Adjusted Collections on the due date to the Purchaser, in accordance with the provisions of Article 23, and (ii) any claim for damages against a Seller for breach of its representations and warranties or for failure to perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

Each Seller hereby acknowledges and accepts that the benefit of any joint and several liability between Sellers party to the Securitisation Documents shall be extended to any New Seller, without any need for additional written consent under this Agreement (other than by the Centralising Unit as contemplated by Articles 35 and 40).

- 3.6.3** Notwithstanding any other provision of this Agreement, the parties hereto agree that any claim enforceable under Article 3.6.2 above against any of the German Parties shall on any date on which payment is requested pursuant to Article 3.6.2 be limited to the amounts calculated as follows (the “**Free Equity Amount**”):
- (a) in the case of a German Party that is organised as a GmbH (a “**GmbH Party**”), the amount of its Net Assets less its Registered Share Capital as of such date;
  - (b) in the case of a German Party that is organised as a GmbH & Co.KG (a “**GmbH & Co. KG Party**”), the amount of its respective Net Assets as of such date, provided that such amount shall be reduced to the extent payment thereof would result in the Net Assets of its general partner (in each case the “**General Partner**”) falling short of the Registered Share Capital of such General Partner as of such date.

For the purpose of this Article 3.6, “**Net Assets**” means, in respect of any entity as of any date, the result of (a) the sum of the amounts shown under the balance sheet positions

pursuant to § 266 (2) (A), (B) and (C) of the German Commercial Code (*Handelsgesetzbuch*), with the exception of any loan repayment claims against any of such entity's affiliates (other than such entity's subsidiaries) (or other, economically equivalent claims, including recourse claims against a defaulting Seller under the Intercompany Arrangements), less (b) the sum of the amounts of liabilities shown under the balance sheet positions pursuant to § 266 (3) (B), (C) and (D) of the German Commercial Code, in each case as determined as of such date; and “**Registered Share Capital**” means, in respect of any entity as of any date, the amount shown under the balance sheet position pursuant to § 266 (3) (A) I of the German Commercial Code as determined as of such date.

The calculation of the Free Equity Amount shall be made as of the date of any payment request pursuant to Article 3.6.2 above.

- 3.6.4 If, upon a payment request to any German Party under Article 3.6.2 above, such German Party is of the reasonable opinion that the amount requested exceeds the Free Equity Amount at the time of such request, such German Party shall provide evidence to the Purchaser that the payment in full of the amount requested would result:
- (a) in the case of a GmbH Party, in the amount of its Net Assets falling below the amount of its Registered Share Capital;
  - (b) in the case of a GmbH & Co. KG Party, in the amount of the Net Assets of its General Partner falling below such General Partner's Registered Share Capital,

including, without limitation, plausible calculations made by such German Party and all supporting documents reasonably requested by the Purchaser, and a written statement from the statutory auditors of such German Party (in case of Article 3.6.3(a)) and or of the relevant General Partner (in the case of Article 3.6.3(b)) to the Purchaser to the effect that the amount of the payment requested exceeds the Free Equity Amount of such German Party (in case of Article 3.6.3(a)) and/or of the General Partner (in the case of Article 3.6.3(b)).

- 3.6.5 For the purposes of calculating the Free Equity Amount, loans and other contractual liabilities incurred in negligent or wilful violation of the provisions of this Agreement shall be disregarded.

In the event that a payment is requested under Article 3.6.2 above, the relevant German Party and/or its General Partner (in the case of Article 3.6.3(b)) shall realise, to the extent (i) the Free Equity Amount falls short of the amount so requested, (ii) required to enable the relevant German Party to make the requested payment, and (iii) legally permitted, assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the assets at the time of such request if such assets are not necessary for the business of such German Party and/or its General Partner (in the case of Article 3.6.3(b)) (*betriebsnotwendig*).



3.6.6 None of the above restrictions on enforcement shall apply if and to the extent such enforcement relates to any obligations of the German Parties other than under Article 3.6.2.

3.6.7 The parties expressly agree that the Sellers and the Centralising Unit shall not have any responsibility for any non payment by any Debtor of any sums due in respect of the Sold Receivables, except to the extent that the Purchaser may exercise recourse for such non payment against the Subordinated Deposit and, as the case may be, the Complementary Deposit, as provided herein and, for the avoidance of any doubt, to the extent of any Deemed Collections in accordance with the provisions of Article 28.

#### 4. TERM OF THIS AGREEMENT

4.1 This Agreement shall commence on the Closing Date and end on the Program Expiry Date. For the purposes of this Agreement and the Receivables Purchase Agreements, the parties agree that there shall be two periods:

- (i) the Replenishment Period, which commences on the Closing Date and ends on the Commitment Expiry Date (excluded); and
- (ii) the Amortisation Period, which commences on the Commitment Expiry Date and ends on the Program Expiry Date.

4.2 The parties expressly agree that, in the event that there are any Sold Receivables outstanding on the Program Expiry Date:

- (a) until such time as (i) any sums due under the Master Senior Deposit Agreement have been paid, or (ii) the Centralising Unit, acting in the name and on behalf of the Sellers, has repurchased all such Sold Receivables from the Purchaser:
  - (i) the Centralising Unit shall make a payment to the Purchaser for an amount equal to any collections actually received by the Sellers arising in relation to those Sold Receivables which are outstanding; and
  - (ii) the Conformity Warranties set out in Article 19 (*Conformity Warranties for Ongoing Purchasable Receivable and Remaining Purchasable Receivables*) and the relevant Seller's covenants in relation to the Sold Receivables as set out in Articles 12 (*General Covenants*), 16 (*Order of Priority during the Amortisation Period*), 21 (*Collection of Sold Receivables*), 23 (*Application of Payments and Payments of collections*), 24 (*Renegotiation*), and 25 (*Representation Mandate*) shall remain in force ;
- (b) thereafter, up to an amount equal to any portion of the Complementary Deposit and/or the Subordinated Deposit that was not reimbursed on the Program Expiry Date plus any Deferred Purchase Price that remained outstanding on such date, any Adjusted Collections shall be refunded to the Centralising Unit.

In any event, the parties expressly agree that, even after the Program Expiry Date, the provisions set out in Articles 14 (*Taxes*), 15 (*Changes in Circumstances*), 29 (*Fees and expenses*), 31 (*Confidentiality*), 33 (*Exercise of Rights – Recourse- Non Petition*), 36 (*Indemnities*), 41 (*Governing law – Jurisdiction*) shall remain in force.

4.3 The Centralising Unit, acting in the name and on behalf of the Sellers, may, upon written notice given to the Purchaser at least nine (9) Business Days before a Funded Settlement Date during the Amortisation Period or at any time after the Program Expiry Date, offer to repurchase all outstanding Sold Receivables from the Purchaser, at a price equal to the

nominal value of such Sold Receivables or such other price as the parties may agree. Such purchase price shall be applied towards the payments and in the order specified in Article 16 and, to the extent applicable, shall be set off against any amounts due to the Centralising Unit in accordance with said Article 16.

## **5. CONDITIONS PRECEDENT TO THE COMMENCEMENT OF THIS AGREEMENT**

This Agreement shall not take effect unless and until the Purchaser has received, on the Closing Date, all the documents referred to in SCHEDULE 2, and has determined that the same are satisfactory as to form and substance.

## **CHAPTER III CURRENT ACCOUNT — DEPOSITS**

### **6. CURRENT ACCOUNT**

#### **6.1 Current Account agreement**

6.1.1 The Purchaser and the Centralising Unit hereby agree to enter into a current account relationship (*relation de compte courant*) (the “**Current Account**”).

6.1.2 Subject to the daily set-off or netting mechanism for the payment of the Initial Purchase Price of Originated Ongoing Purchasable Receivables provided for under the Receivables Purchase Agreements, any sum due either by (i) the Purchaser to the Centralising Unit, acting in its own name or in the name of the Sellers pursuant to the Transaction Documents and/or by (ii) the Sellers or the Centralising Unit, acting in its own name or in the name of the Sellers, to the Purchaser pursuant to the Transaction Documents shall be recorded respectively as credit or debit on the Current Account. Any mutual debit or credit that does not arise from the Transaction Documents shall be excluded from the Current Account.

#### **6.2 Automatic Set-off**

The parties hereby agree that any debit and credit recorded on the Current Account shall be automatically set-off (*compensés*).

#### **6.3 Balance**

6.3.1 On each Calculation Date, the Agent shall calculate the balance of the Current Account, in accordance with the provisions of Article 12.3.1, on the basis of information it has received pursuant to such Article 12.3.1, and shall forthwith provide the Centralising Unit and the Purchaser with such calculation.

- 6.3.2 In the case of a debit balance of the Current Account on a Calculation Date, as stated in the Current Account statement communicated in accordance with the provisions of Article 6.3.1., the Centralising Unit shall pay to the Purchaser's Account in immediately available funds an amount equal to such debit balance, on the Funded Settlement Date or on the Intermediary Settlement Date in relation to which the Current Account statement is drawn up, in accordance with the provisions of Article 17.5.
- 6.3.3 In the case of a credit balance of the Current Account on a Calculation Date, as stated in the Current Account statement communicated in accordance with the provisions of Article 6.3.1., the Purchaser shall pay to the Centralising Unit's Account in immediately available funds an amount equal to such credit balance on the Funded Settlement Date or on the Intermediary Settlement Date in relation to which the Current Account statement has been drawn up, in accordance with the provisions of Article 17.5.
- 6.3.4 Once the payment referred to in Article 6.3.2 or in Article 6.3.3 has been made, the Current Account shall be balanced at zero (0).

#### **6.4 Entry on Current Account**

6.4.1 On the Initial Settlement Date, the Purchaser shall record:

- (i) on the debit of the Current Account, an amount equal to the Subordinated Deposit calculated as of the Initial Settlement Date in accordance with Article 8 (*Subordinated Deposit*);
- (ii) on the debit of the Current Account, an amount equal to the Complementary Deposit calculated as of the Initial Settlement Date in accordance with Article 9 (*Complementary Deposit*);
- (iii) on the debit of the Current Account, the amount of the Adjusted Collections calculated in respect of such Initial Settlement Date; and
- (iv) on the credit of the Current Account an amount equal to the Initial Purchase Price of the Sold Receivables sold on the Initial Settlement Date within the limits provided for by Article 12.3.1 (i).

6.4.2 On each Intermediary Settlement Date during the Replenishment Period, the Purchaser shall enter:

- (i) on the debit of the Current Account,
  - (a) an amount equal to any Increase in the Subordinated Deposit on such date,
  - (b) an amount equal to any Increase in the Complementary Deposit on such date,
  - (c) the amount of the Adjusted Collections calculated in respect of such date, less the amount of Collections for Set-off which has been set-off during the last Intermediary Settlement Date Reference Period in accordance with the Receivables Purchase Agreements,
  - (d) the amount of any payment due with respect to the repurchase of Doubtful Receivables on such date, and
  - (e) any other sums due by the Centralising Unit acting on its own behalf or on behalf of the Sellers, to the Purchaser pursuant to the Transaction Documents, and not paid otherwise.

- (ii) on the credit of the Current Account,
  - (a) an amount equal to the part of the Initial Purchase Price of the Sold Receivables due and payable on such date in accordance with the Receivables Purchase Agreements and within the limits set out in Article 12.3.1 (i),
  - (b) an amount equal to any Reduction of the Subordinated Deposit on such date,
  - (c) an amount equal to any Reduction of the Complementary Deposit on such date, and
  - (d) any other sums due by the Purchaser to the Centralising Unit acting on its own behalf or on behalf of the Sellers pursuant to the Transaction Documents, and not paid otherwise.

6.4.3 On each Funded Settlement Date during the Replenishment Period, the Purchaser shall enter:

- (i) on the debit of the Current Account,
  - (a) an amount equal to any Increase in the Subordinated Deposit on such date,
  - (b) an amount equal to any Increase in the Complementary Deposit on such date,
  - (c) the amount of the Adjusted Collections calculated in respect of such date, less the amount of Collections for Set-off which has been set-off during the last Funded Settlement Date Reference Period in accordance with the Receivables Purchase Agreements,
  - (d) the amount of any payment due with respect to the repurchase of Doubtful Receivables on such date, and
  - (e) any other sums due by the Centralising Unit acting on its own behalf or on behalf of the Sellers, to the Purchaser pursuant to the Transaction Documents, and not paid otherwise.
- (ii) on the credit of the Current Account,
  - (a) an amount equal to the part of the Initial Purchase Price of the Sold Receivables due and payable on such date in accordance with the Receivables Purchase Agreements and within the limits set out in Article 12.3.1 (i),
  - (b) an amount equal to any Deferred Purchase Price payable on such date,
  - (c) an amount equal to any Reduction of the Subordinated Deposit on such date;
  - (d) an amount equal to any Reduction of the Complementary Deposit on such date,
  - (e) any sum due and payable on such date as Complementary Deposit Fee and Subordinated Deposit Fee, and
  - (f) any other sums due by the Purchaser to the Centralising Unit acting on its own behalf or on behalf of the Sellers pursuant to the Transaction Documents, and not paid otherwise.

The parties hereby agree that all entries on the Current Account are calculated, for any Settlement Date during the Replenishment Period, on the Calculation Date preceding such

Settlement Date, and that, once entered in the Current Account, such entries shall constitute payments for the purposes of the Transaction Documents.

## 6.5 Termination of the Current Account

The current account relationship shall terminate, and the Current Account shall be closed, on the Commitment Expiry Date.

## 7. AMOUNT OF THE PURCHASER'S FUNDING

### 7.1 Maximum Amount of the Purchaser's Funding

#### 7.1.1 The Purchaser shall fund Payments:

- (a) first, out of the applicable Refinanced Received Net Amount, if any;
- (b) second, out of a Senior Deposit (the "**Purchaser's Funding**"), up to the then applicable Maximum Amount of the Purchaser's Funding.

The Senior Deposit shall create an indebtedness of the Purchaser to the Depositor in relation to the repayment of such Senior Deposit.

#### 7.1.2 The Maximum Amount of the Purchaser's Funding shall be communicated by the Centralising Unit, acting in the name and on behalf the Sellers, to the Purchaser and to the Agent, on an annual basis, within the limit of the Maximum Amount of the Program. For such purpose, at the latest on 30 September of each year as from 30 September 2008 (included), the Centralising Unit, acting in the name and on behalf the Sellers, shall send to the Purchaser and the Agent a notice (in the form of SCHEDULE 19) indicating the new amount of the Maximum Amount of the Purchaser's Funding for each Funded Settlement Date during the period between the Funded Settlement Date of November (included) following such 30 September and the Funded Settlement Date of November the following year (excluded) (the "**Annual Notice for Maximum Amount of the Purchaser's Funding**").

By way of exception at the latest on the Amendment Date, the Centralising Unit, acting in the name and on behalf the Sellers, shall send to the Purchaser and the Agent a notice indicating the new amount of the Maximum Amount of the Purchaser's Funding for each Funded Settlement Date between the Funded Settlement Date of July 2008 (included) and the Funded Settlement Date of November 2008 (excluded) (the "**First Notice for Maximum Amount of the Purchaser's Funding**").

As a consequence, on any Funded Settlement Date during the Replenishment Period, the Maximum Amount of the Purchaser's Funding shall be equal to the lower of the following amounts:

- the Maximum Amount of the Program; and
- the amount indicated in the corresponding Annual Notice for Maximum Amount of the Purchaser's Funding (or in the First Notice for Maximum Amount of the Purchaser's Funding),

it being provided that, if any amount of Maximum Amount of the Purchaser's Funding indicated in an Annual Notice for Maximum Amount of the Purchaser's Funding or in the First Notice for Maximum Amount of the Purchaser's Funding is below the Minimum Amount of the Program, the Commitment Expiry Date shall be deemed to have occurred on the Funded Settlement Date for which such amount is stipulated.

- 7.1.3 In the event that any Liquidity Agreement is not renewed as a result of a Liquidity Commitment Non Renewal, the Maximum Amount of the Program shall be partially and automatically reduced by an amount equal to the commitment of the relevant Liquidity Bank.

Such reduction of the Maximum Amount of the Program shall take effect on the Funded Settlement Date following the date upon which an event described above has occurred and shall be definitive and irrevocable.

## 7.2 Amount of the Purchaser's Funding on the Initial Settlement Date

On the Initial Settlement Date, the amount of the Purchaser's Funding shall be equal to

- (i) the lower of the following amounts:
  - (a) the Outstanding Amount of Eligible Receivables to be purchased by the Purchaser on such date, multiplied by the excess of:
    - one (1) less;
    - the sum of the Overcollateralisation Rate and the Discount Reserve Rate; and
  - (b) the Requested Amount of the Purchaser's Funding;
- (ii) less the amount of the Excess Foreseen Collections for such Initial Settlement Date, rounded down to the nearest whole multiple of € 1,800.

## 7.3 Change in the Purchaser's Funding

On each Funded Settlement Date during the Replenishment Period other than the Initial Settlement Date, the Purchaser's Funding shall be adjusted as follows:

- (a) if:
    - (i) the lower of the following amounts:
      - (x) the sum of ( $\alpha$ ) the Outstanding Amount of Eligible Receivables on such date and ( $\beta$ ) the Outstanding Amount of Refinanced Eligible Receivables on such date, multiplied by the excess of:
        - one (1) less;
        - the sum of the Overcollateralisation Rate and the Discount Reserve Rate; and
      - (y) the Requested Amount of the Purchaser's Funding;
- less, except if any Early Amortisation Event defined in the Article 13.3. has occurred before the Assessment Date preceding such Funded Settlement Date, the amount of the Excess Foreseen Collections for such Funded Settlement Date,
- rounded down to the nearest whole multiple of € 1,800;
- exceeds

- (ii) the amount of the Purchaser's Funding outstanding on the preceding Funded Settlement Date;  
then the Purchaser's Funding shall be increased by an amount equal to such excess (the "**Increase in the Purchaser's Funding**"); and
- (b) if:
  - (i) the lower of the following amounts:
    - (x) the sum of ( $\alpha$ ) the Outstanding Amount of Eligible Receivables on such date and ( $\beta$ ) the Outstanding Amount of Refinanced Eligible Receivables on such date, multiplied by the excess of:
      - one (1) less;
      - the sum of the Overcollateralisation Rate and the Discount Reserve Rate; and
    - (y) the Requested Amount of the Purchaser's Funding;

less, except if any Early Amortisation Event defined in the Article 13.3. has occurred before the Assessment Date preceding such Funded Settlement Date, the amount of the Excess Foreseen Collections for such Funded Settlement Date, rounded down to the nearest whole multiple of € 1,800;

is lower than
  - (ii) the amount of the Purchaser's Funding outstanding on the preceding Funded Settlement Date;  
then the Purchaser's Funding shall be reduced by the amount of such difference (the "**Reduction in the Purchaser's Funding**").

#### **7.4 Amount of the Purchaser's Funding in the event of a Potential Early Amortisation Event**

In the event that a Potential Early Amortisation Event occurs, and as long as such Potential Early Amortisation Event is continuing, the amount of the Purchaser's Funding shall be limited to the amount of the Purchaser's Funding on the Funded Settlement Date before such Potential Early Amortisation Event has occurred.

### **8. SUBORDINATED DEPOSIT**

Pursuant to the terms of a Master Subordinated Deposit Agreement entered into between the Centralising Unit and the Purchaser on the Amendment Date, the Centralising Unit shall make a Subordinated Deposit with the Purchaser. The main provisions of the Master Subordinated Deposit Agreement are as follows:

#### **8.1 Subordinated Deposit**

On the first Settlement Date following the Amendment Date, the Subordinated Depositor shall make a Subordinated Deposit in Euro with the Purchaser and on each following Settlement Date during the Replenishment Period, the amount of the Subordinated Deposit

shall be increased or decreased in accordance with the calculations made by the Agent on each Calculation Date in accordance with the provisions of schedules 1 and 2 of the Master Subordinated Deposit Agreement.

On each Calculation Date, during the Replenishment Period, the Agent shall calculate the difference between (i) the amount of the Subordinated Deposit to be made on the following Settlement Date, and (ii) the amount of the Subordinated Deposit made on the preceding Settlement Date.

## **8.2 Pledge of the Subordinated Deposit**

The Subordinated Deposit shall be pledged as cash collateral (*affecté à titre de gage-espèces*) by the Centralising Unit in favour of the Purchaser, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and the Refinanced Sold Receivables and (ii) any sum due to the Purchaser by any Seller, the Centralising Unit or the Refinanced Seller pursuant to the Transaction Documents.

## **8.3 Repayment of the Subordinated Deposit**

The repayment of the Subordinated Deposit shall be carried out in accordance with the terms and conditions set forth in the Master Subordinated Deposit Agreement and Article 16 (*Order of Priority during the Amortisation Period*).

# **9. COMPLEMENTARY DEPOSIT**

Pursuant to the terms of a Master Complementary Deposit Agreement entered into between the Centralising Unit and the Purchaser on the Amendment Date, the Centralising Unit shall make a Complementary Deposit with the Purchaser. The main provisions of the Master Complementary Deposit Agreement are as follows:

## **9.1 Complementary Deposit**

The Centralising Unit shall make a Complementary Deposit with the Purchaser in accordance with the terms and conditions of the Master Complementary Deposit Agreement.

On each Calculation Date during the Replenishment Period, the amount of the Complementary Deposit shall be calculated by the Agent in accordance with the provisions of schedule 1 of the Master Complementary Deposit Agreement.

## **9.2 Pledge of the Complementary Deposit**

The Complementary Deposit shall be pledged as cash collateral (*affecté à titre de gage-espèces*) by the Centralising Unit in favour of the Purchaser, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and the Refinanced Sold Receivables and (ii) any sum due to the Purchaser by any Seller, the Centralising Unit or the Refinanced Seller pursuant to the Transaction Documents, provided that no party shall be entitled to receive, as a result of such pledge, any amounts in addition to those that it is entitled to receive pursuant to Article 16.

## **9.3 Repayment of the Complementary Deposit**

The repayment of the Complementary Deposit shall be carried out in accordance with the terms and conditions set forth in the Master Complementary Deposit Agreement and Article 16 (*Order of Priority during the Amortisation Period*) hereunder.



## CHAPTER IV FEES

### 10. FEES

- 10.1** On each Funded Settlement Date (except the Initial Settlement Date), the Centralising Unit shall pay to the Agent, the Management Fee which is due to compensate the Agent for its services under this Agreement.
- 10.2** Such Management Fee shall be equal to €21,782.42 per month (V.A.T. excluded), increased by the applicable V.A.T ; provided that if the Securitisation Transaction is terminated by the Centralising Unit during the first two years of the Securitisation Transaction (other than a termination after there has been an Early Amortisation Event or a drawing under a Liquidity Agreement or a Liquidity Bank Letter), then the minimum amount of the Management Fee for the year in which the Securitisation Transaction is terminated shall be equal to €261,389 (V.A.T. excluded), increased by the applicable V.A.T (Such amount of Management Fee due being the sum of €248,889 (VAT excluded) as general management fee, €9,000 (VAT excluded) as a fee for notarisation procedure in Spain and €3500 (VAT excluded) as a fee for the calculations under the separation of flows procedure under the Collection Account Agreements). As from the beginning of the third year until the fifth year of the Securitisation Transaction, in the event that the Centralising Unit decides to terminate the Securitisation Transaction and repurchases the Sold Receivables upon such termination (other than a termination after there has been an Early Amortisation Event or a drawing under a Liquidity Agreement or an Liquidity Bank Letter) and does not inform the Agent at the latest three months beforehand, the Centralising Unit undertakes to pay an amount upon such termination equal to the lesser of (i) the Management Fee for three months (€65,347) (VAT excluded), increased by the applicable V.A.T, from the date on which the notice of termination is delivered minus any Management Fee otherwise paid after notice of termination is delivered and (ii) the Management Fee for the period from such termination until the expiration date of the Liquidity Agreements.
- 10.3** The Agent shall notify the amount of the Management Fee to the Centralising Unit, at the latest before 5.00 pm on the Calculation Date immediately preceding any Funded Settlement Date.
- 10.4** On each Funded Settlement Date, the Centralising Unit shall pay the Management Fee by crediting the Agent's Account before 12.00 (noon), for an amount equal to the Management Fee, as determined in accordance with 10.2 The parties acknowledge that the payment of such Management Fee by the Centralising Unit to the Agent shall be expressly excluded from the Current Account mechanism.
- 10.5** In the event that the Centralising Unit fails to pay such Management Fee on a Funded Settlement Date, the Purchaser shall proceed forthwith with the payment of such Management Fee, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the Purchaser shall be, upon delivery of a subrogation notice by the Agent, subrogated in the rights of the Agent against the Centralising Unit to the extent of the sums paid to the Agent in respect of the Management Fee.
- 10.6** For the purposes of carrying out the biannual audits referred to in Article 12.1.1(vi), the Agent shall be entitled to receive a fee equal to €5,000 (VAT excluded) per audit plus the amount of expenses relating to the German, French, Spanish and UK audits (which shall be based on a on site audit for a duration of two days). Such fee and expenses shall be paid by

the Centralising Unit acting in the name and on behalf of the Sellers on the Funded Settlement Date immediately following the relevant biannual audits.

## CHAPTER V REPRESENTATIONS AND WARRANTIES — GENERAL COVENANTS

### 11. REPRESENTATIONS AND WARRANTIES

**11.1** Each Seller, Goodyear Dunlop Tires Germany GmbH and the Centralising Unit represents and warrants to the Purchaser at the date hereof as follows:

- (i)
  - in the case of the French Seller, it is a limited company (*société anonyme*) duly incorporated and validly existing under French law, or
  - in the case of the German Parties, it is either a limited partnership (*Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft*) or a limited liability company (*Gesellschaft mit beschränkter Haftung*), duly established and validly existing under German law, or
  - in the case of the Spanish Seller, it is a corporation (*sociedad anónima*) duly incorporated and validly existing under Spanish law,
  - in the case of the UK Seller, it is a limited liability company duly incorporated and validly existing under the laws of England and Wales,
  - in the case of the Centralising Unit, it is a limited liability company duly incorporated and validly existing under the laws of England and Wales;
- (ii) it has the capacity (a) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where failure of such capacity would not be reasonably likely to result in a Material Adverse Effect, and (b) to enter into and perform its obligations under the Transaction Documents to which it is a party;
- (iii) it does not require any power or authorisation to execute the Transaction Documents to which it is a party or to perform its obligations under the Transaction Documents, that it has not already obtained, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (iv)
  - except to the extent that no Material Adverse Effect would be reasonably likely to result, the execution of the Transaction Documents to which it is a party and the performance of its obligations under the Transaction Documents will not contravene (a) any of the provisions of its articles of association or of any other of its constitutional or organisational documents, (b) any laws or regulations applicable to it, or (c) any contractual obligations, negative pledges, agreements or undertakings to which it is a party or by which it is bound;
  - the execution of the Transaction Documents to which it is a party and the performance of its obligations under the Transaction Documents will not contravene (x) if such concept is applicable in the relevant jurisdiction, the corporate interest (*intérêt social*) of the Centralising Unit or the

relevant Seller and (y) in the case of each of the German Parties, § 30 and *seq.* of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*);

- (v) the Transaction Documents to which it is a party constitute its legal, valid and binding obligations and are enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' right generally;
- (vi) all of the documents that it has provided to the Purchaser pursuant to the Transaction Documents are accurate and correct in all material respects as of their respective dates and as of the date of their delivery, and the audited, certified annual accounts were prepared in accordance with the relevant Accounting Principles and give, in all material respects, a true, accurate and fair view (*comptes réguliers, sincères et qui donnent une image fidèle*) of its results for the relevant fiscal year;
- (vii) it carries on its business in compliance with all of the relevant laws and regulations applicable to it, except where failure to do so would not be reasonably likely to have a Material Adverse Effect;
- (viii) there are no actions, suits or proceedings pending or, to its knowledge, threatened to be raised or brought against it, which are reasonably likely to result in a Material Adverse Effect, or any material litigation that challenges or seeks to prevent the Securitisation Transaction;
- (ix) except as specifically disclosed in writing to the Purchaser before the Closing Date, no event has occurred since the closing date of its last fiscal year that is reasonably likely to adversely and materially affect, impede or prohibit the execution or the performance of its obligations under the Transaction Documents to which it is a party or that is otherwise reasonably likely to have a Material Adverse Effect;
- (x) no Early Amortisation Event of the type described in Article 13.3 has occurred and is continuing;
- (xi) GOODYEAR DUNLOP TIRES EUROPE BV holds directly or indirectly 100% in the Centralising Unit's share capital and voting rights and more than 50% in each Seller's share capital and voting rights and as such exercises effective control over the Centralising Unit and the Sellers within the meaning of Article L.511-7.3 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (xii) it has received on the Amendment Date, a certified true copy of the Transaction Documents and has full knowledge of the same;
- (xiii) it has carried out its own legal, tax and accounting analysis as to the consequences of the execution and performance of its obligations under the Transaction Documents, and agrees that the Purchaser, the Joint Lead Arrangers, the Issuers and the Liquidity Banks shall have no liability to any of the Sellers or the Centralising Unit in that respect;
- (xiv) it has entered into intercompany arrangements with the Centralising Unit and the other Sellers, pursuant to which it has undertaken (a) to reimburse the Centralising Unit for certain fees, including any amount paid on its behalf and any losses arising under the Transaction Documents, (b) to pay the Centralising Unit a direct and sufficient consideration for the making of the Subordinated Deposit and the Complementary Deposit and compensate the Centralising Unit as is appropriate in respect of all losses incurred by the latter arising from the making of the Subordinated Deposit and the Complementary Deposit, and (c) to ensure that fees and expenses or any other sums due by the Sellers under the Transaction Documents are allocated among the Sellers in accordance with their respective corporate interest, if such concept is applicable in the relevant jurisdiction (the "**Intercompany Arrangements**");

- (xv) it has entered into intercompany arrangements which shall, *inter alia*, (a) if complied with, ensure due compliance of each of the German Parties, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Parties with the relevant applicable corporate capital maintenance provisions, including, without limitation, § 30 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), and (b) ensure that none of the German Sellers supports, directly or indirectly, the uncollectability of any Sold Receivables purchased by the Purchaser from any other German Seller without any required consideration therefor;
- (xvi) no Lien exists (other than any Liens contemplated by the Transaction Documents) (with respect to receivables originated or to be originated by the UK Seller only, as from the Amendment Date) (a) in relation to any Sold Receivables (and related rights) assigned by it prior to their respective assignment to the Purchaser or in respect of the Collection Accounts, with the exception of those Liens which arise by operation of applicable laws and regulations, or (b) over the Subordinated Deposit and/or the Complementary Deposit;
- (xvii) its obligations under the Transaction Documents rank and will rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations (with the exception of those preferred by law generally);
- (xviii) it is not entitled to claim immunity from suit, execution, attachment or other legal process in any proceeding taken in the jurisdiction of its incorporation in relation to any Transaction Documents;
- (xix) it is not subject to Insolvency Proceedings and is not insolvent within the meaning of applicable laws;
- (xx) in the case of each German Seller, (a) such German Seller has, to the extent permissible, opted for payment on a monthly basis of self-assessed or assessed VAT, (b) such German Seller having applied for a permanent extension for the filing of monthly returns (*Dauerfristverlängerung*) has posted a special advance estimated tax payment to the relevant tax office and (c) any such self-assessed or assessed VAT owed by such German Seller in accordance with applicable German VAT laws and regulations, has been paid to the relevant German tax administration when due;
- (xxi) in the case of each German Seller, there is no dispute, action, suit or proceeding pending or, to its knowledge, threatened to be raised or brought against it, except for disputes, actions, suits or proceedings that such German Seller disputes in good faith, by any German tax administration in relation to any VAT tax payment or the calculation of such VAT; and
- (xxii) in the case of GOODYEAR DUNLOP TIRES OE GmbH: (a) all commercial contracts in relation to the Sold Receivables, whether they are master agreements, general conditions of sale or other documents have been either executed between GOODYEAR DUNLOP TIRES OE GmbH and the relevant Debtors, or executed between another Seller and the relevant Debtors and transferred to GOODYEAR DUNLOP TIRES OE GmbH, and the relevant Debtors are situated in Belgium, England, France, Germany, Italy or Spain, (b) each commercial contract is concluded with either a single Debtor or Debtors that are Affiliates of each other, and (c) each commercial contract is governed by an Eligible Law, and (d) the jurisdiction clause, if any, of each commercial contract attributes jurisdiction to the competent courts of the jurisdiction whose laws are one of the Eligible Laws.

**11.2** The above representations and warranties shall be deemed to be repeated by each Seller and the Centralising Unit, as applicable, on each Settlement Date during the Replenishment Period. Such representations and warranties shall remain in force until the Program Expiry Date.

## 12. GENERAL COVENANTS

The following general covenants shall remain in force from the date hereof until the Program Expiry Date.

### 12.1 Sellers

#### 12.1.1 Affirmative covenants:

Each Seller undertakes:

- (i) to provide the Purchaser without undue delay, on a non consolidated basis, with:
  - (a) its annual accounts (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, the report of the board of directors and statutory auditors relating thereto and an extract of the minutes of the shareholders' annual general meeting approving the said accounts, no later than forty-five (45) calendar days following the holding of its shareholders' annual general meeting;
  - (b) all published interim financial information ;
  - (c) all other information, reports or statements as the Purchaser may at any time reasonably request in so far as is permitted by applicable laws and regulations, and depending on the type of information requested, in accordance with the different procedures applicable to the communication of information under this Agreement;
- (ii) to request promptly any authorisation as may become necessary for the performance of its obligations under this Agreement;
- (iii) to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except to the extent that failures to keep in effect such rights, licenses, permits, privileges and franchises would not be reasonably likely to result in a Material Adverse Effect;
- (iv) upon knowledge by the relevant Seller that (a) an Early Amortisation Event defined in Article 13.3 has occurred, to notify or cause to be notified forthwith the Purchaser and provide a copy of the same to the Joint Lead Arrangers and (b) a Potential Early Amortisation Event has occurred, to notify or cause the Purchaser to be notified forthwith and provide a copy of the same to the Joint Lead Arrangers and, where applicable, of actions which the Seller has taken and/or proposes to take with respect thereto in order to prevent such Potential Early Amortisation Event from becoming an Early Amortisation Event;
- (v) to carry on its business in all material aspects in accordance with all applicable laws and regulations, except where failure to do so would not be reasonably likely to have a Material Adverse Effect;
- (vi) upon the Purchaser's request, which shall be subject to a reasonable prior notice, to arrange forthwith for bi-annual audits to be carried out by the Purchaser or by any other entity appointed by the Purchaser for such purposes, of its receivables and collection procedures. The audits shall be conducted at the expense of and paid by the Centralising Unit, acting in the name and on behalf of the Sellers, it being understood that:

- the main bi-annual audit shall be carried out at the latest two (2) months before the anniversary date of the Closing Date (with the exception of a New Seller acceding to the Securitisation Transaction in accordance with the provisions of Article 40, in relation to which the first audit carried out before the entry into the Securitisation Transaction of the New Seller shall be sufficient to satisfy the bi-annual requirement referred to above for the first anniversary date of the Closing Date falling after its accession);
- prior to the carrying out of the second bi-annual audit, the Agent shall ask the Purchaser, the Liquidity Banks and the Back-Up Servicer whether and the extent to which a second bi-annual audit is necessary;

this second bi-annual audit will not be carried out in the event that the Agent, the Purchaser, the Liquidity Banks and the Back-Up Servicer (if and when appointed) unanimously confirm in writing that such a second bi-annual audit is unnecessary;

- (vii) (1) with respect to any Seller (except for the UK Seller), commencing on the Amendment Date, to deliver to the Purchaser an Auditors Certificate within twelve (12) calendar months after the date of delivery of the previous Auditors Certificate in the form set out in SCHEDULE 4;
- (2) with respect to each German Seller (without prejudice to the generality of sub-paragraph (1) above), to deliver to the Purchaser an Auditors Certificate in the form set out in SCHEDULE 4 with respect to the corresponding Nominee Company provided that this undertaking shall become effective as of the later of (a) six (6) months after it has appointed a statutory auditor (if any) and (b) the first date following the Amendment Date on which the other Sellers deliver an Auditors Certificate under this Agreement, and provided that the form set forth in SCHEDULE 4 shall be adapted *mutatis mutandis*;
- (viii) to notify forthwith the Purchaser, promptly upon becoming aware, of any material adverse change in relation to any Sold Receivable, and to promptly respond to any reasonable written request of the Purchaser, the Agent, any Back-Up Servicer (if and when appointed) concerning any event in relation to any Sold Receivable which is reasonably likely to endanger the payment of a sum under such Sold Receivable;
- (ix) to keep the Purchaser fully informed of the existence and progress of (a) any material litigation relating to a Sold Receivable, (b) any claim or litigation relating to the Sold Receivables before the courts or in arbitration for the purposes of recovering material sums due under such Sold Receivables, (c) any claim or litigation relating to the Sold Receivables before the courts or in arbitration for the purposes of recovering sums due under such Sold Receivable, upon written request of the Purchaser, the Agent or any Back-Up Servicer (if and when appointed), and (d) any action, suit or proceeding described in Article 11.1 (viii);
- (x) to submit to the Purchaser, as soon as practicable, on the Purchaser's reasonable request and subject to the provisions of Article 20 (*Identification of the contractual documentation for the Sold Receivables — Access to documents*) and Article 31 (*Confidentiality*), all documents which enable the latter to verify that the Seller has properly fulfilled its contractual obligations concerning the collection of sums due under the Sold Receivables, to the extent permitted by applicable laws or regulations and in particular, in the case of the Protected Debtors, by the provisions of the Data Protection Trust Agreement;
- (xi) to transfer or cause to be transferred to the Purchaser all Adjusted Collections in accordance with the provisions of Article 23 (*Application of payments and payments of collections*);

- (xii) (1) with respect to any Seller (except for the UK Seller), commencing on the Amendment Date, to deliver to the Purchaser a Solvency Certificate (on a date which shall be a Settlement Date during the Replenishment Period) on a semiannual basis in accordance with the form set out in SCHEDULE 5;
- (2) with respect to the UK Seller, commencing on the Amendment Date, to deliver to the Purchaser a Solvency Certificate (on a date which shall be a Settlement Date during the Replenishment Period) on a quarterly basis in accordance with the form set out in SCHEDULE 5;
- (3) with respect to any German Seller (without prejudice to the generality of sub-paragraph (1) above), (A) on the date on which the Intermediary Structure is implemented with respect to any Nominee Company and thereafter (B) on each date on which a Solvency Certificate is to be delivered with respect to any German Seller in accordance with sub-paragraph (1) above, to deliver to the Purchaser a Solvency Certificate with respect to such Nominee Company substantially in accordance with the form set out in SCHEDULE 5;
- (xiii) to execute any and all further documents, agreements and instruments, and take all such further actions, as may be reasonably requested by the Purchaser in order to ensure that the sales of Ongoing Purchasable Receivables and Remaining Purchasable Receivables to the Purchaser under the Receivables Purchase Agreements constitute valid and perfected sales of such Ongoing Purchasable Receivables and Remaining Purchasable Receivables and the security interests created over the Collection Accounts for the benefit of the Purchaser constitute valid and perfected security interests;
- (xiv) to inform the Purchaser, as soon as possible and in so far permitted by applicable laws and regulations, of its intention to restructure such Seller leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold directly or indirectly more than 50% in the voting rights of such Seller;
- (xv) to ensure that steps are taken to maintain the performance of the billing and recovery procedures and accountancy methods in relation to the customer account (*compte client*) of such Seller, with the same degree of skill and care as evidenced during the audits carried out on behalf of the Purchaser or any of their agents during the structuring phase of the Securitisation Transaction;
- (xvi) to ensure that any information transmitted by the Centralising Unit or such Seller during the term of this Agreement and pursuant to the Transaction Documents is true and accurate in all material respects;
- (xvii) to maintain effective and in full force at all times the Intercompany Arrangements with the Centralising Unit and the other Sellers, and not to change such Intercompany Arrangements in any way that may adversely affect the rights of the Purchaser under the Securitisation Transaction;
- (xviii) to maintain effective and in full force at all times, such internal arrangements between the German Parties, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Parties which are necessary to (i) if complied with, ensure due compliance of each of the German Parties, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Parties with the relevant applicable corporate capital maintenance provisions, including, without limitation, § 30 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), and (ii) ensure that none of the German Parties supports,

directly or indirectly, the uncollectability of any Sold Receivables purchased by the Purchaser from any other German Seller without any required consideration therefor;

- (xix) to keep any Bill of Exchange relating to a Sold Receivable as custodian of the Purchaser for collection purposes unless the Sellers' Collection Mandate has been terminated and it has received notification from the Purchaser to deliver such Bill of Exchange to the Purchaser or any third party appointed by the Purchaser;
- (xx) in the case of the Spanish Seller, to take such steps and do all things as to notarise before a Spanish Notary Public (x) on the Amendment Date, the French law governed Receivables Purchase Agreement entered into by the Spanish Seller, the termination letter agreement with respect to the Spanish law governed receivables purchase agreement executed by the Spanish Seller on the Closing Date and any amendment to the Spanish Collection Account Agreements and (y) on each Funded Settlement Date during the Replenishment Period, any Transfer Deed executed and delivered pursuant to the French law governed Receivables Purchase Agreement executed by the Spanish Seller (specifying in such Transfer Deeds any promissory notes which must be transferred in accordance with this Agreement and such Receivables Purchase Agreement), it being understood at all times that the costs of such notarisation shall be borne by the Spanish Seller;
- (xxi) in the case of the German Sellers, to take such steps and do all things as to notarise before a Spanish Notary Public (x) on the Amendment Date, the Receivables Purchase Agreement executed by the German Sellers and (y) on each Funded Settlement Date during the Replenishment Period, any Transfer Deed executed and delivered pursuant to the Receivables Purchase Agreement executed by the German Sellers and which related to Spanish law governed receivables and/or Spanish Debtors, it being understood at all times that the costs of such notarisation shall be borne by the relevant German Seller;
- (xxii) (a) to instruct any Debtor, which has not been already informed, to pay any sum due under a Sold Receivable to the relevant Collection Account(s) and, from the date hereof, to collect any sums due under a Sold Receivable exclusively on the relevant Collection Account(s), and (b) to promptly transfer to the relevant Collection Account(s) any sums paid by a Debtor in a different manner than to the relevant Collection Account(s);
- (xxiii) in the case of each German Seller,
  - (a) (w) to opt or continue to opt at all times for payment of self-assessed or assessed VAT on a monthly basis, (x) having applied for a permanent extension for the filing of monthly returns (*Dauerfristverlängerung*) post and maintain posted a special advance estimated tax payment to the relevant tax office, (y) to calculate and self-assess VAT on a monthly basis in accordance with German VAT laws and regulations and (z) to pay any VAT when due to the relevant German tax administration on a monthly basis;
  - (b) to provide the Purchaser on each Information Date with (x) a monthly report detailing the calculation of VAT due in relation to the preceding calendar month in accordance with German VAT laws and regulations, and (y) evidence of the payment of any amounts of VAT when due to the relevant German tax administration, as described in such monthly report;
  - (c) to submit promptly upon request of the Purchaser a statement and/or evidence in respect of any VAT payment;
  - (d) to ensure that, promptly upon request of the Purchaser at any time and in any event semi annually (x) its auditors or any qualified accountants carry out an audit in relation to its VAT assessment procedures and VAT



payment in accordance with applicable law and regulations, detailing the calculation and the payment of VAT during the period since the previous audit or (as relevant) during the last six (6) calendar months and (y) the results of such audit are forthwith communicated to the Purchaser, whereby the costs of such audit shall be borne by such German Seller;

- (e) at the latest on the implementation date of the Intermediate Structure, to execute and implement any related BMA; and
- (f) to provide the Purchaser with certified true and up-to-date copies of any BMA upon its execution, as well as any amendment to a BMA that may adversely affect the position of the Purchaser, promptly upon such amendment.

#### 12.1.2 Negative covenants

Each Seller undertakes:

- (i) (a) not to sell, lease, transfer or dispose of, the whole or a substantial part of its business or assets whether in a single transaction or by a number of transactions. Such prohibitions do not however apply to: (w) disposals in the ordinary course of the business of the Centralising Unit or of any Seller; (x) disposals between the Centralising Unit and any Seller(s) or between any Sellers or within the GOODYEAR Group; (y) disposals for arm's length consideration on normal commercial terms; or (z) other disposals which are not reasonably likely to materially prejudice the rights of the Purchaser hereunder or adversely and materially affect the collectibility of the Sold Receivables; and
- (b) except for any intra-group mergers or reorganisations within the GOODYEAR Group, not to purchase all or part of the assets of any individual, undertaking or company, and not to enter into any merger (*fusion*), demerger (*scission*) or proceeding of a similar nature, which is reasonably likely to materially prejudice the rights of the Purchaser hereunder or adversely affects such Seller's ability to collect the Sold Receivables;
- (ii) not to vary any of its collection procedures currently in operation on the date it becomes a Seller under the Transaction Documents, without the prior written consent of the Purchaser if such a variation is reasonably likely to adversely affect the quality of such collection procedures;
- (iii) not to deliver to the Purchaser any document containing information concerning the Sold Receivables which it knows to be inaccurate or incomplete;
- (iv) not to deliver to the Purchaser any document containing information concerning the Sold Receivables which it, in the exercise of reasonable diligence, should reasonably have known to be inaccurate or incomplete, in any material respect;
- (v) not to use any software for the management of the Sold Receivables unless the software user licence allows it to be used to monitor the Sold Receivables, except in cases that would not be reasonably likely to result in a Material Adverse Effect;
- (vi) to abstain from varying the corporate purposes or changing the legal form of such Seller, except to the extent related to any intra-group mergers or reorganisations within the GOODYEAR Group or to the extent that such variation or change would not be reasonably likely to result in a Material Adverse Effect;
- (vii) not to endorse, transfer or deliver to any person a Bill of Exchange relating to a Sold Receivable unless such an endorsement, transfer or delivery is made for the

benefit of the Purchaser and, upon request of the Purchaser, to endorse, transfer or deliver, to the Purchaser or any third party designated by the Purchaser, acting pursuant to a power of attorney provided by a separate agreement, any and all Bills of Exchange corresponding to Sold Receivables and take all such measures deemed necessary by the Purchaser in order to preserve its rights hereunder;

- (viii) not to create, incur, assume or permit to exist any Liens (other than any Liens contemplated by the Transaction Documents)
  - (a) in relation to any Sold Receivables (and related rights) or in respect of the Collection Accounts, with the exception of those Liens required by applicable laws and regulations, or (b) over the Subordinated Deposit and/or the Complementary Deposit; and
- (ix) not to vary or change any BMA without the prior written consent of the Purchaser, except to the extent that such variation or change would not be reasonably likely to result in a Material Adverse Effect.

## 12.2 Centralising Unit

### 12.2.1 Affirmative covenants

The Centralising Unit undertakes:

- (i) to provide the Purchaser without undue delay, on a non consolidated basis, with:
  - (a) its annual accounts (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, the related report of the board of directors and statutory auditors, and an extract of the minutes of the shareholders' annual general meeting approving the said accounts, no later than forty-five calendar days (45) following the holding of its shareholders' annual general meeting;
  - (b) all published interim financial information; and
  - (c) all other information, reports or statements as the Purchaser may at any time reasonably request and depending on the type of information requested, in accordance with the procedures applicable to the communication of information under this Agreement;
- (ii) to request promptly any authorisation as may become necessary for the performance of its obligations under the Transaction Documents to which it is a party;
- (iii) to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except to the extent that failure to keep in effect such rights, licenses, permits privileges and franchises would not be reasonably likely to result in a Material Adverse Effect;
- (iv) upon knowledge by the Centralising Unit that (a) an Early Amortisation Event has occurred, to notify forthwith the Purchaser of the same and (b) a Potential Early Amortisation Event has occurred, to notify forthwith the Purchaser of the same and, where applicable, of actions which the Centralising Unit has taken and/or proposes to take with respect thereto in order to prevent such Potential Early Amortisation Event from becoming an Early Amortisation Event;
- (v) to carry on its business in accordance with all applicable laws and regulations, except where failure to do so would not be reasonably likely to result in a Material Adverse Effect;
- (vi) commencing on the Amendment Date, to deliver to the Purchaser (on a date which shall be a Settlement Date during the Replenishment Period), a Solvency

Certificate within six (6) calendar months after the date of delivery of the previous Solvency Certificate, in accordance with the form set out in SCHEDULE 5;

- (vii) (a) to provide the Agent two (2) Business Day before each Information Date preceding the applicable Funded Settlement Date (before 9.00 a.m.) with (x) a copy of the List of Purchasable Receivables in the form agreed between the parties to this Agreement and a copy of the Assessment Report (with the following tables filled: table 1, table 2, table 3, table 9 and table 11); (b) to provide the Agent on each Information Date preceding the applicable Funded Settlement Date (before noon) with a copy of the Assessment Report filled with the remaining tables left; and (c) to provide the Agent on each Information Date preceding the applicable Intermediary Settlement Date (before 11.00 p.m.) with a copy of the Assessment Report and a List of Purchasable Receivables in the form agreed between the parties to this Agreement;
- (viii) to provide the Purchaser (or the Agent acting in the name and on behalf of the Purchaser) on each Funded Settlement Date during the Replenishment Period before 9.00 a.m., with the Transfer Deeds;
- (ix) to transmit to the Agent and the Purchaser a certificate evidencing compliance with the Financial Covenants at the time of delivery of such financial information described in points (a) and (b) of section 5.01 of the European Credit Facility;
- (x) to inform the Purchaser, as soon as possible, and in so far as is permitted by applicable laws and regulations of any restructuring leading to GOODYEAR DUNLOP TIRES EUROPE B.V. ceasing to hold directly or indirectly 100% in the voting rights of the Centralising Unit;
- (xi) to ensure that any information transmitted by the Centralising Unit or any of the Sellers during the course of the Securitisation Transaction and pursuant to the Transaction Documents is accurate and true in all material respects;
- (xii) to maintain effective and in full force at all times the Intercompany Arrangements with the Centralising Unit and the other Sellers, and not to change such Intercompany Arrangements in any way that may adversely affect the rights of the Purchaser under the Securitisation Transaction.

#### 12.2.2 Negative covenants

The Centralising Unit undertakes:

- (i) to abstain from changing its legal form, its corporate existence and varying its corporate purposes, except to the extent that such variation or change would not be reasonably likely to adversely affect the performance of its obligations under the Transaction Documents;
- (ii) not to create, incur, assume or permit to exist any Liens in relation to any of its assets, except (x) for Liens provided under the Transaction Documents, (y) to the extent such Liens do not relate to any assets in relation to the Securitisation Transaction, for Liens created or permitted by the European Credit Facility, or (z) to the extent required by applicable laws or regulations.

### 12.3 **Agent**

12.3.1 The Agent hereby agrees with the other parties that it shall, at the latest on each Calculation Date:

- (i) identify a selection in the List of Purchasable Receivables sent by the Centralising Unit, acting in the name and on behalf of the Sellers and of the Refinanced Seller, on the preceding Information Date, in order to select, by way of priority,

- (a) the Refinanced Ongoing Purchasable Receivables title to which has passed and which have been transferred to the Purchaser from the Refinanced Seller between the last two (2) Assessment Dates and the Refinanced Remaining Purchasable Receivables which shall be purchased by the Purchaser from the Refinanced Seller on the next Settlement Date during the Replenishment Period,
- (b) the Ongoing Purchasable Receivables title to which has passed and which have been transferred to the Purchaser from the Sellers between the last two (2) Assessment Dates, and then
- (c) if such Calculation Date precedes immediately a Funded Settlement Date, the Remaining Purchasable Receivables which shall be purchased by the Purchaser from the Sellers on the next Funded Settlement Date during the Replenishment Period,

so that the Outstanding Amount of Sold Receivables and Refinanced Sold Receivables (taking into account the Outstanding Amount of Refinanced Ongoing Purchasable Receivables title to which has passed and which have been transferred to the Purchaser from the Refinanced Seller between the last two (2) Assessment Dates, the Outstanding Amount of Ongoing Purchasable Receivables title to which has passed and which have been transferred to the Purchaser from the Sellers between the last two (2) Assessment Dates, the Outstanding Amount of Remaining Purchasable Receivables to be purchased on the following Funded Settlement Date during the Replenishment Period and the Outstanding Amount of Refinanced Remaining Purchasable Receivables to be purchased on the following Funded Settlement Date during the Replenishment Period) shall not exceed the sum of the Requested Amount of the Purchaser's Funding, the amount of the Subordinated Deposit, the Maximum Amount of the Complementary Deposit and the Discount Reserve;

- (ii) identify among the Remaining Purchasable Receivables, the Ongoing Purchasable Receivables, the Refinanced Remaining Purchasable Receivables and the Refinanced Ongoing Purchasable Receivables selected in accordance with point (i) above, Eligible Receivables and Refinanced Eligible Receivables, which shall be selected so that the Outstanding Amount of Eligible Receivables and Refinanced Eligible Receivables due by Debtors of the same Group on the following Settlement Date shall not exceed the Maximum Concentration Rate multiplied by the Outstanding Amount of the Eligible Receivables and the Refinanced Eligible Receivables on such date;
- (iii) if such Calculation Date immediately precedes a Funded Settlement Date, send to the Centralising Unit, acting in the name and on behalf of the Sellers, before 5.00 pm on such Calculation Date a list containing the Remaining Purchasable Receivables (and identifying specifically the Eligible Receivables) as at the next Funded Settlement Date during the Replenishment Period, along with the Outstanding Amount of Remaining Purchasable Receivables and the Outstanding Amount of Eligible Receivables;
- (iv) calculate, with respect to the following Settlement Date, and on the basis of the information received on the preceding Information Date:
  - (a) the balance of the Current Account;
  - (b) the Discount Amount;
  - (c) the amount of the Discount Reserve;
  - (d) the Outstanding Amount of Sold Receivables, the Outstanding Amount of Refinanced Sold Receivables, the Outstanding Amount of Eligible

Receivables and the Outstanding Amount of Refinanced Eligible Receivables, globally and for each Seller individually and for the Italian Seller;

- (e) the amount of the Purchaser's Funding, including any increase or reduction in the level of such funding if such Calculation Date precedes immediately a Funded Settlement Date;
  - (f) the amount of the Subordinated Deposit;
  - (g) the amount of the Complementary Deposit;
  - (h) as the case may be, the amount of the Foreseen Collections and Foreseen Collections Adjusted ;
  - (i) the amount of the Adjusted Collections and the Refinanced Adjusted Collections; and
  - (j) any other amounts agreed between the Agent and the Centralising Unit.
- (v) give notice before 5.00 pm on such Calculation Date to the Centralising Unit acting, as the case may be, on its own behalf or on behalf of the Sellers, of the calculations (with supporting details) carried out pursuant to the above paragraph (iv) in order to provide the information needed, as the case may be, for the payment to be made on the following Settlement Date pursuant to Article 6.3, in accordance with the Calculation Letter described in SCHEDULE 15;
  - (vi) communicate the calculation of any Increase in the Purchaser's Funding or any Reduction in the Purchaser's Funding in accordance with the provisions of Article 7.3 to the Depositor.

The parties agree that, in the event that any party becomes aware of any error in the calculation carried out by the Agent pursuant to the present Article 12.3.1, such party shall forthwith notify the Agent in order to rectify such an error.

12.3.2 At the latest on each Calculation Date, the Agent shall, at the request of any Joint Lead Arranger, forthwith transmit a copy of the Assessment Reports, the Lists of Purchasable Receivables or any reporting documents relating to the Sold Receivables and Refinanced Sold Receivables and provide the Joint Lead Arrangers with any information relating to the amount of Adjusted Collections and Refinanced Adjusted Collections received by the Purchaser on such Calculation Date.

12.3.3 On each Calculation Date before 5.00 pm, the Agent undertakes to deliver forthwith, to the Centralising Unit acting in the name and on behalf of the Sellers, a document relating to the Sold Receivables and the Refinanced Sold Receivables, in the form attached hereto as SCHEDULE 12.1, as modified from time to time by the parties to this Agreement, and to provide a copy of such document to the Joint Lead Arrangers.

After each Settlement Date, the Agent undertakes to deliver forthwith to each Issuer, a report document relating to the Sold Receivables and the Refinanced Sold Receivables, in the form attached hereto as SCHEDULE 12.2, as modified from time to time between the Agent, the Purchaser and the Issuers.

For the purposes of the relevant reporting documents, the parties agree that CALYON shall be responsible for ensuring that such reporting requirements are carried out.

## **12.4 Failure to deliver Assessment Report or List of Purchasable Receivables**

12.4.1 In the event that the Centralising Unit fails to provide the Agent with a copy of the Assessment Report and/or a List of Purchasable Receivables within one (1) Business Day

after an Information Date, or provides the Agent with a copy of the Assessment Report and/or a List of Purchasable Receivables, that is incomplete in relation to one or several Sellers or Italian Seller (with respect to any Seller or to the Italian Seller, a “**Delivery Failure**”), the Agent shall carry out the identification and the calculations referred to in Articles 12.3.1 and 12.3.2 as follows:

- in relation to Sellers or the Refinanced Seller for which there is no Delivery Failure, on the basis of the Assessment Report and the List of Purchasable Receivables provided to the Agent on such Information Date; and
- in relation to Sellers or Refinanced Seller for which there is a Delivery Failure, on the basis of the Assessment Report and the List of Purchasable Receivables provided to the Agent on the preceding Information Date;

provided that the Centralising Unit has sent to the Agent a single consolidated Assessment Report and a single List of Purchasable Receivables. If the Agent has not received such single consolidated Assessment Report and such List of Purchasable Receivables, it shall make its calculations on the basis of the single consolidated Assessment Report and single List of Purchasable Receivables received on the previous Information Date.

12.4.2 In the event of any failure to comply with the provisions of Article 12.2.1 (vi), the Centralising Unit shall comply with such provisions with respect to the documents required to be delivered on or before the next Information Date.

12.4.3 The Centralising Unit shall provide, on each Information Date, (i) the list of Sold Receivables which are Doubtful Receivables and to be retransferred to the relevant Seller in accordance with article 4.2 of the relevant Receivables Purchase Agreement and (ii) the list of Refinanced Sold Receivables which are Refinanced Doubtful Receivables and to be retransferred to the Refinanced Seller in accordance with article 3 of the Refinanced Receivables Purchase Agreement.

## **12.5 Purchaser**

Other than as contemplated by the Transaction Documents, the Purchaser undertakes not to (a) sell, transfer or otherwise dispose of any Sold Receivables or any Refinanced Sold Receivables or (b) create, incur, assume or permit to exist any Liens over any Sold Receivables or any Refinanced Sold Receivables (and related rights), with the exception of those Liens required by applicable laws and regulations.

## **CHAPTER VI EARLY AMORTISATION**

### **13. EARLY AMORTISATION**

#### **13.1 Early Amortisation Events in relation to the Securitisation Transaction:**

The fact that the Purchaser’s Funding falls below the Minimum Amount of the Program shall constitute an Early Amortisation Event with respect to this Agreement and the Receivables Purchase Agreements.

### 13.2 Early Amortisation Event in relation to the Purchaser:

If any event occurs, which is not an event that is due to CALYON or that could have been prevented by CALYON, and which, in the Rating Agencies' opinion, jeopardises the "bankruptcy remote character" of the Purchaser, the Purchaser may terminate its Commitment to purchase Ongoing Purchasable Receivables and Remaining Purchasable Receivables from the Sellers subject to notice made in writing to the Centralising Unit. In such an event, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth (30<sup>th</sup>) calendar day following receipt by the Centralising Unit of the Purchaser's Termination Notice. Such Purchaser's Termination Notice shall state the reasons for the Rating Agencies' opinion.

### 13.3 Early Amortisation Events in relation to any Seller or the Centralising Unit:

Each of the following events shall constitute an Early Amortisation Event with respect to this Agreement and the Receivables Purchase Agreements:

- (i) the Centralising Unit requests the termination of the Replenishment Period ;
- (ii) any Seller, any Nominee Company, the Centralising Unit, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR or any Material Subsidiary has entered into Insolvency Proceedings;
- (iii) any failure by a Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to make a payment (including any deposit or transfer of Adjusted Collections to the Purchaser) when due under the Transaction Documents:
  - (w) which is not remedied within two (2) Business Days, provided that such failure is due to a technical reason which affects the means of payment in the banking system used by such Seller or by the Centralising Unit and is not otherwise covered by clause (y) below;
  - (x) which is not remedied within four (4) Business Days, where such failure arises in relation to the payment of the Management Fee or the Stand-By Fee;
  - (y) which is not a scheduled payment under the Transaction Documents and which is not remedied within two (2) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
  - (z) which is a scheduled payment (including a payment due pursuant to Article 6.3.2) and is not otherwise covered by clause (w) or (x) above;
- (iv) any restructuring of (a) a Seller leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of such a Seller, or (b) GOODYEAR DUNLOP TIRES EUROPE BV leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of GOODYEAR DUNLOP TIRES EUROPE BV, or (c) the Centralising Unit leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold, directly or indirectly, 100% in the share capital and voting rights of the Centralising Unit;
- (v) any default by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV (including any material default in the collection obligations set forth in Articles 21, 24, 25 and 26) other than the defaults referred to in paragraph (iii) above or paragraphs (vi) and (vii) below, in relation to any of their obligations under the Transaction Documents:

- which is not remedied within one (1) Business Day after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, if such default is in relation to their respective obligations under Article 12.2.1 (vii), and the Centralising Unit does not comply with Article 12.4.2;
  - which is not remedied within one (1) Business Day after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, if such default is in relation to their respective obligations under 12.2.1 (vii);
  - which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware, if such default is in relation to their respective obligations under 12.1.1 (iv), (x), (xiii), (xiv), (xxi), and 12.2.1 (iv), (xii);
  - which is a default of the obligations arising under 12.1.2 or 12.2.2, which (a) if capable of remedy, is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware, or (b) if not capable of remedy, has not been waived by the Purchaser within five (5) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;
  - which is not remedied within thirty (30) Business Days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware;
- (vi) any failure by any Seller (other than the UK Seller) to deliver an Auditors Certificate with respect to such Seller and/or, if relevant, any Nominee Company, complying with the relevant form attached as SCHEDULE 4 (adapted *mutatis mutandis* in the case of a New Seller or, in any, a Nominee Company), as provided for under Article 12.1.1 (vii), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;
- (vii) any failure by any Seller or the Centralising Unit with respect to such Seller, the Centralising Unit and/or, if relevant, any Nominee Company, to deliver a Solvency Certificate, complying with the relevant form attached as SCHEDULE 5 (adapted *mutatis mutandis* in the case of a New Seller or, in any, a Nominee Company), as provided for under Article 12.1.1 (xii) and 12.2.1 (vi), which is not remedied within ten (10) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;
- (viii) any representation and warranty made by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under the Transaction Documents (other than under Article 19), or any information contained in any document delivered by any Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to the Purchaser pursuant thereto, is found to have been inaccurate on the date on which it was made or delivered, if such inaccuracy (a) is not remedied or waived accordingly within thirty (30) days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware and (b) is reasonably likely to result in a Material Adverse Effect;
- (ix) any Material Indebtedness of GOODYEAR DUNLOP TIRES EUROPE BV, or any of its subsidiaries, or GOODYEAR (a) has not been paid or repaid when due (after giving effect to any applicable grace period) or (b) has become due and



payable before its stated date of payment as a result of a declared default and after the expiry of any applicable grace period provided that, in each case, such default has not been waived pursuant to the terms of the relevant agreement;

- (x) there is an attachment, freezing or seizure (*saisie*) order against all or any material part of the property, assets or revenues of the Centralising Unit, any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV or in the event that the Centralising Unit, any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV has become subject at any time to any court order or other court process having similar effect and such attachment, seizure (*saisie*), court order or court process remains in effect and is not discharged during a period of forty-five (45) calendar days following the date on which it was served;
  - (xi) any change of any kind in any Seller's or Centralising Unit's articles of association, business or assets, which would be reasonably likely to result in a Material Adverse Effect;
  - (xii) the validity of the Transaction Documents or a Transfer Deed issued pursuant to any Receivables Purchase Agreement or any Payment hereunder or thereunder is successfully challenged by any enforcement order issued or judgment obtained as a result of proceedings before any court (including arbitration proceedings) (except in the case of a Transfer Deed delivered by GOODYEAR DUNLOP TIRES OE GmbH, where any such challenge does not affect the validity under another Transfer Deed of the sale of the receivables sold pursuant to the Transfer Deed that is so challenged);
  - (xiii) whenever on three (3) successive Funded Settlement Dates, the Overcollateralisation Rate is higher than the Maximum Overcollateralisation Rate;
  - (xiv) (a) any of the Transaction Documents becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to their respective terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser in any material respect;
  - (b) a Transfer Deed becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to its terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser;
  - (xv) the ratio at the end of any fiscal quarter of (x) Consolidated Net J.V. Indebtedness to (y) Consolidated European J.V. EBITDA for the most recent period of four consecutive fiscal quarters for which financial statements have been prepared (as contemplated under the European Credit Facility), is greater than 3.00 to 1.00, and there has been no Applicable Waiver or Amendment on or prior to the 60th calendar day after the occurrence of any such event. In addition, this General Master Purchase Agreement shall be automatically deemed amended, with no further actions required by the parties hereto, to reflect the changes made in any Applicable Waiver or Amendment).
- Capitalized terms used in this Article 13.3 (xv) and not defined in SCHEDULE 16 shall have meanings set forth for such terms in SCHEDULE 1;
- (xvi) if all Sellers withdraw from the Agreement in accordance with the provisions of Article 39;
  - (xvii) the three-month rolling average of the Delinquency Percentage exceeds 3.5 %, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof;

- (xviii) the three-month rolling average of the Default Percentage exceeds 2.5 %, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof;
- (xix) the three-month rolling average of the Dilution Percentage exceeds 10.5 %, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof;
- (xx) with respect to any Ongoing Purchasable Receivable and/or Remaining Purchasable Receivable assigned to the Purchaser on any Funded Settlement Date (for the purposes of this clause, the “Reference Funded Settlement Date”), the Initial Purchase Price has not been paid in full at the latest on the third Funded Settlement Date following such Reference Funded Settlement Date, it being provided that, on the Calculation Date preceding the third Intermediary Settlement Date following such Reference Funded Settlement Date, the Agent shall have communicated to the Centralising Unit the amount of the Initial Purchase Price of the Ongoing Purchasable Receivable and/or Remaining Purchasable Receivable sold on such Reference Funded Settlement Date that would remain unpaid on the second Intermediary Settlement Date following the Reference Funded Settlement Date, should the Maximum Amount of Complementary Deposit not be increased.

#### 13.4 Consequences of Early Amortisation Events

Except for the Early Amortisation Event described in Article 13.2, the effect of which is set out in such Article, the consequences of the Early Amortisation Events shall be as follows:

- (i) If an Early Amortisation Event referred to in Articles 13.1 or 13.3 occurs and has not been waived, the Purchaser may or, if all the Liquidity Banks (which shall be consulted by the Purchaser upon the occurrence of such an Early Amortisation Event) instruct the Purchaser to do so, shall terminate by notice in writing to the Centralising Unit (the “**Purchaser’s Termination Notice**”), its Commitment to purchase Ongoing Purchasable Receivables and Remaining Purchasable Receivables from the Sellers. Upon knowledge by the Purchaser of the occurrence of an Early Amortisation Event and provided such Early Amortization Event has not been waived and as soon as the Purchaser has determined that such an occurrence shall entail the occurrence of the Commitment Expiry Date, a Purchaser’s Termination Notice may be sent forthwith. In such an event, the Commitment Expiry Date shall be deemed to have occurred on the date of receipt of the Purchaser’s Termination Notice by the Centralising Unit.

However, if upon consultation of the Liquidity Banks in accordance with the above paragraph, such Liquidity Banks cannot agree among themselves as to the termination by the Purchaser of its Commitment, and where the Purchaser has not already decided in its own discretion to terminate its Commitment, the relevant Liquidity Bank (the “**Terminating Liquidity Bank**”) may decide to terminate its own commitments under the Liquidity Agreement, upon notice in writing to the Centralising Unit, the Purchaser and the other Liquidity Bank(s) no later than the Information Date preceding the Funded Settlement Date on which such termination is to be effective.

In the event of the termination of its(their) commitment by the Terminating Liquidity Bank(s), the Maximum Amount of the Program shall be partially and automatically reduced by an amount equal to the commitment of such Terminating Liquidity Bank (s). Such reduction of the Maximum Amount of the Program shall take effect on the Funded Settlement Date following the date upon which the termination of its(their) commitment by the Terminating Liquidity Bank(s) has occurred and shall be definitive and irrevocable.

- (ii) By way of further exception to the foregoing, if an Early Amortisation Event set forth in Article 13.3 (iv), (v), (vi), (vii), (x), (xi), (xii), and (xiv) occurs exclusively in relation to certain but not all Sellers, the Purchaser shall give notice thereof to the relevant Seller(s) and the Centralising Unit. The parties hereby agree that upon receipt by the relevant Seller(s) and the Centralising Unit of such notice, the Purchaser shall not be entitled to purchase any further Ongoing Purchasable Receivable or Remaining Purchasable Receivable from the relevant Seller(s) (the “**Excluded Seller(s)**”). The Purchaser’s Commitment shall not otherwise be affected, except that if the aggregate amount of Sold Receivables assigned by the Excluded Seller(s) on the preceding six (6) Settlement Dates represents more than 45% of the aggregate amount of Sold Receivables assigned by all Sellers on such dates, the Commitment Expiry Date shall be deemed to have occurred on the date of receipt of the notice referred to above.

For the avoidance of doubt, if any Potential Early Amortisation Event occurs, the parties agree that such event shall not constitute an Early Amortisation Event if a suitable agreement between the parties has been reached within the grace period (if any) provided for the related Early Amortisation Event in Article 13.3.

## CHAPTER VII

### TAXES — CHANGES IN CIRCUMSTANCES

#### 14. TAXES

- 14.1** All payments to be made by each Seller, acting as Seller or as servicer of the Sold Receivables, or by the Centralising Unit, to the Purchaser under this Agreement, the Receivables Purchase Agreements, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement, shall be made free, clear of and without deduction for or on account of tax (not being tax imposed on the general income of the Purchaser), unless the relevant Seller or the Centralising Unit is required by mandatory provisions of law to make such a payment subject to the deduction or withholding of tax, in which case the sum to be paid by the relevant Seller or the Centralising Unit in respect of which such deduction or withholding is required to be made shall, to the extent permitted by law, be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Purchaser receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

In the event that any payment made by the Centralising Unit or any of the Sellers hereunder is subject to any withholding or deduction, the Purchaser shall use reasonable efforts to recover any tax credit that it may be entitled to on account of such withholding or deduction and shall remit to the Centralising Unit any amounts so recovered, up to the amount necessary for the Seller to be (after that payment) in the same after-tax position as it would have been if such withholding or deduction had not been made, but such amount shall in any event not exceed the sums so recovered by the Purchaser.

If the increase referred to above is contrary to any applicable law, the Purchaser and the Centralising Unit, acting in the name and on behalf of the Sellers, shall work together as soon as possible and in good faith to seek a solution acceptable to the parties.

If no suitable agreement has been reached within thirty (30) calendar days following the coming into force of such deduction or withholding of tax, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth day after such deduction or withholding comes into force. The parties hereby agree that during the thirty-day period provided in the foregoing sentence, no Ongoing Purchasable Receivable and no Remaining Purchasable Receivable shall be sold to the Purchaser by the Sellers concerned by such deduction for or on account of tax or by all the Sellers if such deduction for or on account of tax relates to the Centralising Unit, on a Funded Settlement Date.

- 14.2** Each Seller shall bear any VAT (a “**VAT Payment**”) to which any transaction contemplated under the Securitisation Transaction may be subject or give rise and which applies to any party having entered into the Securitisation Transaction (other than the Sellers and the Centralising Unit); and each Seller shall fully indemnify the Purchaser or any party having entered into the Securitisation Transaction (other than the Sellers or the Centralising Unit), in respect of any liability to pay such VAT Payment and from and against any losses or liabilities which any of them may properly incur or otherwise suffer as a result of any delay in paying or omission to pay such VAT Payment.

If a Seller makes a VAT Payment and a credit against, relief or remission for, or repayment of taxes is attributable to that VAT Payment (a “**VAT Credit**”), the Purchaser shall use reasonable efforts to obtain the repayment of such VAT Credit, and once the Purchaser has obtained the repayment of such VAT Credit, the Purchaser shall transfer such amount to the relevant Seller so that the Seller will be (after that payment) in the same after-tax position as it would have been in had the VAT Payment not been made by the Seller, but such amount shall in any event not exceed the sums actually paid to the Purchaser under the repayment of such VAT Credit.

- 14.3** In the event of any Insolvency Proceedings opened against any German Seller, if the insolvency administrator is involved in the enforcement of any pledge over the Collection Account(s) for the benefit of the Purchaser and if such insolvency administrator is entitled to claim a deduction of fees (“**Enforcement Fees**”) from the credit balance recorded on such Collection Account(s) at the date of institution of such Insolvency Proceedings, the relevant German Seller and/or the Centralising Unit shall pay to the Purchaser any sums corresponding to such Enforcement Fees.

- 14.4** In the event that the Purchaser, the Refinanced Seller, a Liquidity Bank, the Issuers, the Management Company, the Custodian, the Fund, the Depositor or the Agent (each a “**Tax Indemnified Party**”) has to bear any new tax or withholding tax or any other tax related charge not yet in force on any sum which it owes and in relation to the Securitisation Transaction, the Centralising Unit, acting in the name and on behalf of the Sellers, undertakes to indemnify such Tax Indemnified Party up to the amount of this new taxation or withholding tax or other tax charge, in the currency in which such deduction, withholding or other tax charge must be paid.

In the event that the Purchaser or the Refinanced Seller (each a “**Refinanced Tax Indemnified Party**”) has to bear any deduction or withholding tax or any other tax related charge on any sum which it owes and in relation to the Refinanced Receivables Purchase Agreement, the Centralising Unit, acting in the name and on behalf of the Sellers, undertakes to indemnify such Refinanced Tax Indemnified Party up to the amount of this taxation or withholding tax or other tax charge, in the currency in which such deduction, withholding or other tax charge must be paid.

In the event that any payment is made by the Centralising Unit to the Purchaser pursuant to this Article 14.4, the Purchaser shall use reasonable efforts to recover any tax credit that it may be entitled to on account of such tax and shall remit to the Centralising Unit any

amounts so recovered up to the amount necessary for the Seller to be (after that payment) in the same after-tax position as it would have been if such new tax had not been paid, within the limit of the sums so recovered by the Purchaser.

- 14.5** In the event that any Tax Indemnified Party (including, in particular, the Purchaser) has incurred any losses or liability resulting from or in relation to any recourse by any German tax administration against the Purchaser with respect to any Sold Receivable, the relevant German Seller shall indemnify such Tax Indemnified Party up to the amount of such losses or liability incurred and in the currency in which such loss or liability has been incurred, *provided that* the recourse by such German tax administration against the Purchaser is based on section 13c of the German VAT Act or on any related or equivalent provision of German law.
- 14.6** Nothing in this Article 14 shall be construed so as to oblige the Purchaser to bear costs and expenses of whatever nature or to disclose confidential information relating to, *inter alia*, the organisation of its activities nor affect in any way its right to organise its tax affairs in a manner which it considers most beneficial.

## **15. CHANGES IN CIRCUMSTANCES**

- 15.1** To the extent not already indemnified under Article 14, if, as a result of (i) the implementation after the Closing Date of this Agreement of any change in the applicable laws, regulations, accounting standards or regulatory requirements or any change in the interpretation or application of the aforementioned and/or (ii) the implementation after the Closing Date of this Agreement of any applicable directive, request or requirement (whether or not having the force of law) of any central bank, self-regulating organisation, governmental, fiscal, monetary or other authority (including *inter alia* directives, requests, instructions, accounting standards or requirements which affect the manner in which any bank is required to maintain equity capital (*own funds*), taking into account its assets, liabilities, contingent liabilities or commitments):

- (i) the cost of the Purchaser, the Refinanced Seller, any Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent making available, agreeing to make available, maintaining or funding any Payment and/or assuming or maintaining their Commitment or otherwise giving effect to this Agreement shall be increased; and/or
- (ii) any sum received or receivable by the Purchaser, the Refinanced Seller, any Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent under the Transaction Documents shall be reduced (except for tax imposed on the general income of the Purchaser or default of a Debtor under any Sold Receivables or Refinanced Sold Receivables); and/or
- (iii) the Purchaser, the Refinanced Seller, any Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent shall become liable to make any payment on account of tax (except for tax imposed on its general income), or shall be compelled or obliged to forego any interest or other return, on or calculated by reference to the Commitment or any payment under this Agreement, the Receivables Purchase Agreement and/or the Refinanced Receivables Purchase Agreement;

as soon as such event has occurred and provided that such information is publicly available, the Purchaser, the Refinanced Seller, any Liquidity Bank, the Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent shall be entitled to claim from the Centralising Unit, acting as the case may be on its own behalf or on behalf of the Sellers, an indemnity equal to (a) the increased costs referred to in (i) above, and/or (b) the reduction referred to in (ii) above and/or (c) the amount referred to in (iii) above. To this

effect, the Purchaser shall give notice to the Centralising Unit, by delivering to the latter a certificate specifying in sufficient detail the occurrence of the changes in circumstances and, if possible, the estimated amount and the actual amount and the reason(s) for the indemnity payable under this Article.

- 15.2** In the event of any dispute as to the amount of such an indemnity, the Purchaser and the Centralising Unit acting in the name and on behalf of the Sellers, shall work together as soon as possible and in good faith to seek a solution acceptable to the parties; in the event of a dispute, such indemnity shall nevertheless be paid by the Centralising Unit, acting on its own behalf and on behalf of the Sellers, who shall make the payment of such indemnity forthwith following receipt of the notice sent by the Purchaser.

If no suitable agreement has been reached within thirty (30) calendar days following the coming into force of such event, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth day after such an event. The parties hereby agree that during the thirty-day period provided in the foregoing sentence, no Remaining Purchasable Receivable or Ongoing Purchasable Receivable shall be sold to the Purchaser on a Settlement Date.

## **CHAPTER VIII**

### **ORDER OF PRIORITY — PAYMENTS**

#### **16. ORDER OF PRIORITY DURING THE AMORTISATION PERIOD**

- 16.1** Without prejudice to Article 16.2, on each Settlement Date during the Amortisation Period, the Purchaser shall apply the Distributed Amounts, in the following order:

1. to the payment of any of the following sums that are due and payable on such date in accordance with the provisions of the Master Senior Deposit Agreement:
  - 1.1 the Margin due to ESTER FINANCE;
  - 1.2 the Immobilisation Indemnity due pursuant to article 8.1 of the Master Senior Deposit Agreement;
  - 1.3 the Deposit Fee due pursuant to article 8.2 of the Master Senior Deposit Agreement;
 until their full payment;
 

provided that on each Intermediary Settlement Date, the sums referred to in this point 1. to be paid on the next Funded Settlement Date, calculated *prorata temporis*, shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and shall be reserved by the Purchaser in order to be paid on such Funded Settlement Date;
2. to the payment of any sum due and payable prior to such date, by the Sellers or the Centralising Unit to the Purchaser under the Transaction Documents and which remains unpaid on such date, until its full repayment;
3. to the payment of any sum due and payable in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement and, *pari passu*, in respect of the Complementary Deposit, in accordance with the provisions of the Master Complementary Deposit Agreement, until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 3., due in respect of the Purchaser's Funding and to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;

4. to the payment to the Centralising Unit of any amount equal to the Excess Forseen Collections, outstanding as of the last Settlement Date before being reduced to zero (unless otherwise reimbursed);
5. to the payment of any outstanding Initial Purchase Price to be made pursuant to the provisions of each Receivables Purchase Agreement and which has not been made before the Amortisation Period;
6. to the payment of any outstanding Deferred Purchase Price to be made pursuant to the provisions of each Receivables Purchase Agreement;
7. to the repayment of the Subordinated Deposit.

**16.2** On each Settlement Date during the Amortisation Period, if any Seller and/or the Centralising Unit fail(s) to make a payment when due under the Transaction Documents in respect of the Adjusted Collections and, pursuant to the provisions of Article 21.3, the collection mandate given to the Sellers has been terminated, the Purchaser shall apply the Distributed Amounts, in the following order:

1. to the payment of any sums due and payable on such date in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement, as follows:
  - 1.1 the Margin due to ESTER FINANCE;
  - 1.2 the Immobilisation Indemnity due pursuant to article 8.1 of the Master Senior Deposit Agreement;
  - 1.3 the Deposit Fee due pursuant to article 8.2 of the Master Senior Deposit Agreement;

until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 1. to be paid on the next Funded Settlement Date, calculated prorata temporis, shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;

2. to the payment of any sum due and payable prior to such date, by the Sellers or the Centralising Unit to the Purchaser under the Transaction Documents and which remains unpaid on such date, until its full repayment;
3. to the payment of any sum due and payable in respect of the Purchaser's Funding, up to an amount equal to the sum due under the Transaction Documents in respect of the Adjusted Collections and which any Seller and/or the Centralising Unit has failed to pay (the "**Priority Amount**");

provided that on each Intermediary Settlement Date, the sums referred to in this point 3. to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and be reserved by the Purchaser in order to be paid on such Funded Settlement Date;

4. to the payment of any sum remaining due and payable in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement and, *pari passu*, in respect of that portion of the Complementary Deposit that exceeds the Priority Amount, in accordance with the provisions of the Master Complementary Deposit Agreement, until their full payment;  
provided that on each Intermediary Settlement Date, the sums referred to in this point 4., due in respect of the Purchaser's Funding and to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;
5. to the repayment of any residual sum due in respect of the Complementary Deposit;
6. to the payment to the Centralising Unit of any amount equal to the Excess Foreseen Collections, outstanding as of the last Settlement Date before being reduced to zero (unless otherwise reimbursed);
7. to the payment of any outstanding Initial Purchase Price to be made pursuant to the provisions of each Receivables Purchase Agreement and which has not been made before the Amortisation Period;
8. to the payment of any Deferred Purchase Price to be made pursuant with the provisions of each Receivables Purchase Agreement;
9. to the repayment of the Subordinated Deposit.

## **17. PAYMENTS**

**17.1** For the purpose of the payment of any sum due under this Agreement, the Agent, the Purchaser, each Seller and the Centralising Unit acting, as the case may be, on its own behalf or on behalf of the Sellers, expressly agree to use exclusively the following bank accounts:

- (i) the Purchaser's Account;
- (ii) the Centralising Unit's Account;
- (iii) the Collection Accounts;
- (iv) the Purchaser's Collection Accounts; and
- (v) the Agent's Account.

The parties hereunder acknowledge that such accounts shall be used exclusively for the purposes and in accordance with the terms of this Agreement.

**17.2** The Euro is the currency of payment for each and every sum due at any time under the Transaction Documents.

**17.3** Without prejudice to other provisions of the Transactions Documents related to set-off, the Purchaser shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Centralising Unit on its behalf or on behalf of the Sellers under the Transaction Documents and (ii) any amount due and payable by the Centralising Unit on its behalf or on behalf of the Sellers to the Purchaser under the Transaction Documents.

Without prejudice to other provisions of the Transactions Documents related to set-off, the Centralising Unit, acting on its behalf or on behalf of the Sellers, shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Centralising Unit on its behalf or on behalf of the Sellers under the Transaction Documents and (ii) any amount due and payable



by the Centralising Unit on its behalf or on behalf of the Sellers to the Purchaser under the Transaction Documents.

- 17.4** For the purposes of this Article, any payments falling due on a day which is not a Business Day shall instead fall due on the following Business Day.
- 17.5** The Centralising Unit acting, as the case may be, on its own behalf or on behalf of any Seller, shall give to its bank before 12.00 (noon) on the Business Day following each Calculation Date, an irrevocable instruction to transfer (*ordre de virement irrévocable*), from the Centralising Unit's Account to the Purchaser's Account, any amount due to the Purchaser on the following Settlement Date in accordance with the Transaction Documents, to be credited with immediately available funds, before 12.00 (noon), on the said Settlement Date.
- The Purchaser shall give to its bank one Business Day before any Settlement Date, before 10.00 am, an irrevocable instruction to transfer (*ordre de virement irrévocable*), from the Purchaser's Account to the Centralising Unit's Account, any amount due, as the case may be, to the Centralising Unit on such Settlement Date, in accordance with the Transaction Documents, to be credited with immediately available funds, before 12.00 (noon), on the said Settlement Date.
- 17.6** Any default by the Centralising Unit acting, as the case may be, on its own behalf or on behalf of any Seller, in the fulfilment of its payment obligations under this Agreement shall automatically entitle the Purchaser, without having to give prior notice, to receive interest on any amounts payable and remaining unpaid (excluded), calculated from the date when such payment was due (included) until the date of actual payment, at a rate of EURIBOR 1 month + 2% per annum payable on the date of actual payment (excluded).

## CHAPTER IX

### PURCHASE OF ONGOING PURCHASABLE RECEIVABLES AND REMAINING PURCHASABLE RECEIVABLES

#### **18. CONDITIONS IN RELATION TO ANY PURCHASE OF ONGOING PURCHASABLE RECEIVABLES AND REMAINING PURCHASABLE RECEIVABLES**

##### **18.1 Conditions precedent in relation to any purchase of Ongoing Purchasable Receivables and Remaining Purchasable Receivables**

The Purchaser shall not be obliged on any Funded Settlement Date during the Replenishment Period, to purchase from any Seller, Ongoing Purchasable Receivables and/or Remaining Purchasable Receivables unless each of the following conditions have been fulfilled on such Funded Settlement Date:

- (i) the representations and warranties made by the Seller and the Centralising Unit referred to in Article 11 (*Representations and Warranties*) remain valid and accurate on such Funded Settlement Date;
- (ii) the Centralising Unit has transmitted the Assessment Report to the Agent and delivered the List of Purchasable Receivables to the Purchaser on the Information Date immediately preceding such Funded Settlement Date and on the Information Date immediately preceding the precedent Intermediary Settlement Date;

- (iii) the amount of the Subordinated Deposit, the Complementary Deposit and any Increase in the Subordinated Deposit and any Increase in the Complementary Deposit applicable on such Funded Settlement Date and on the preceding Intermediary Settlement Date, has been recorded on the debit balance of the Current Account;
- (iv) the Payment to be made and the Transfer Deeds to be delivered pursuant hereto do not violate any law or regulation in force on such Funded Settlement Date;
- (v) such Funded Settlement Date is not later than the Commitment Expiry Date;
- (vi) the Purchaser has received to its satisfaction, on or before such Funded Settlement Date, (a) an Auditors Certificate in relation to each of the Sellers (except for the UK Seller) and/or, if relevant, any Nominee Company, not older than twelve (12) calendar months, (b) a Solvency Certificate in relation to the Centralising Unit, in relation to each of the Sellers (except for the UK Seller) and, to the extent that the Intermediate Structure has been implemented with respect to any Nominee Company, in relation to such Nominee Company, in each case not older than six (6) calendar months and (c) a Solvency Certificate in relation to the UK Seller not older than three (3) calendar months;
- (vii) no Early Amortisation Event has occurred on such date;
- (viii) the selection of the Remaining Purchasable Receivables and Refinanced Remaining Purchasable Receivables to be purchased from the Sellers by the Purchaser on such Funded Settlement Date has been carried out in accordance with the selection procedure set forth in Article 12.3.1; and
- (ix) the Centralising Unit, acting on behalf of the Sellers, has transferred the Adjusted Collections to the Purchaser, to the extent required by Article 23 (*Application of payments and payments of collections*).

## **18.2 Conditions subsequent to any Purchase of Ongoing Purchasable Receivables and Remaining Purchasable Receivables on a Funded Settlement Date during the Replenishment Period**

In the event that any of the following conditions have not been fulfilled on any Funded Settlement Date during the Replenishment Period, such a failure shall constitute an automatic and immediate termination (*condition résolutoire de plein droit*) of the assignment by the Sellers to the Purchaser of the Sold Receivables sold on such Funded Settlement Date:

- (i) the Centralising Unit has not credited the Purchaser's Account for an amount equal to any debit balance of the Current Account in accordance with the provisions of Article 6.3.3. on such date before 12.00 (noon);
- (ii) the Depositor has not duly made or increased the Senior Deposit in respect of its commitment to effect a Senior Deposit in accordance with and subject to the terms of the Master Senior Deposit Agreement;
- (iii) the Purchaser has not received from the Refinanced Seller any Refinanced Received Net Amount to be paid by the Refinanced Seller to the Purchaser on such Funded Settlement Date, in accordance with the terms and conditions of the Refinanced Receivables Purchase Agreement.

## 19. CONFORMITY WARRANTIES FOR ONGOING PURCHASABLE RECEIVABLES AND REMAINING PURCHASABLE RECEIVABLES

### 19.1 Each Seller represents and warrants to the Purchaser that:

- (i) as of the Assessment Date preceding the Funded Settlement Date on which a Remaining Purchasable Receivable shall be sold (the “**Reference Funded Settlement Date**”), such Remaining Purchasable Receivable (other than a Net Miscellaneous Receivable or with respect to the Initial Settlement Date a Defaulted Receivable) shall exist, and, to its knowledge, except as specifically identified on the Assessment Report preceding such Reference Funded Settlement Date (it being provided that even if such Remaining Purchasable Receivables are so identified, this shall be without prejudice to the rights of the Purchaser to exercise any recourse against the relevant Seller as provided for under this Agreement and, in particular, shall not prevent the Purchaser from exercising any recourse in connection with Article 28) shall conform with the description as it appears on the Transfer Deed and the electronic support relating to such Transfer Deed and with the applicable characteristics specified in SCHEDULE 14; and
- (ii) on the day on which title to an Ongoing Purchasable Receivable shall pass and shall be transferred to the Purchaser in accordance with any Receivables Purchase Agreement, such Ongoing Purchasable Receivable shall, to its knowledge and except as specifically identified on the last Assessment Report drawn up on the Information Date following such Assessment Date (it being provided that even if such Ongoing Purchasable Receivables are so identified, this shall be without prejudice to the rights of the Purchaser to exercise any recourse against the relevant Seller as provided for under this Agreement and, in particular, shall not prevent the Purchaser from exercising any recourse in connection with Article 28), shall conform with the description as it appears on the Transfer Deed and, when originated, with the applicable characteristics specified for Remaining Purchasable Receivables in SCHEDULE 13 (*mutatis mutandis*).

Each Seller and the Purchaser agree that the Conformity Warranties set out in this Article:

- (i) shall be given by each Seller to the Purchaser and shall apply to all of its Ongoing Purchasable Receivables and Remaining Purchasable Receivables designated on any Transfer Deed and the related support;
  - (ii) shall take effect upon the mere transfer by each Seller or the Centralising Unit to the Purchaser of a Transfer Deed and the related supports, in accordance with and subject to the relevant Receivables Purchase Agreement;
  - (iii) shall be valid (x) for any Ongoing Purchasable Receivable on the Information Date following the date on which title to such Ongoing Purchasable Receivable shall pass to the Purchaser in accordance with any Receivables Purchase Agreement and (y) for any Remaining Purchasable Receivable on the Information Date preceding the Funded Settlement Date on which such Remaining Purchasable Receivable shall be sold;
  - (iv) shall remain in force until the Purchaser’s Funding has been repaid in full.

### 19.2 For the avoidance of doubt, notwithstanding any other provision of the Transaction Documents, no term of this Agreement, and more generally of any other Transaction Document, shall oblige the UK Seller or Goodyear Dunlop Tires OE GmbH to sell or assign to Purchaser any receivable or contract providing for any prohibition or restriction in respect of the sale or assignment of such receivable or contract to the Purchase (to the extent such prohibition or restriction has not been waived or otherwise amended in order to permit such sale or assignment).

## **20. IDENTIFICATION OF THE CONTRACTUAL DOCUMENTATION FOR THE SOLD RECEIVABLES — ACCESS TO DOCUMENTS**

The Parties irrevocably agree that each purchase of Sold Receivables carried out pursuant to this Agreement and the relevant Receivables Purchase Agreement shall entitle the Purchaser or any other agent appointed in a discretionary way by the same, solely in order to protect and/or to enforce its right in connection with the Securitisation Transaction, to access the original copies of the contractual documentation or the computer or paper information underlying the Sold Receivables and, the support listing the Sold Receivables and to make duplicate copies of such documents; provided that (i) the Purchaser or its agent shall have the right to obtain the original copies of such documents to the extent required to enforce their rights under the Transaction Documents and (ii) in respect of the Protected Debtors, the provisions of the present Article shall only apply if the conditions set forth in the Data Protection Trust Agreement are met.

Each Seller irrevocably agrees to allow the Purchaser or any other person appointed by it unrestricted access to the said documents provided that (i) such Seller has been given two (2) Business Days prior notice thereof, (ii) the Purchaser or any other person, whom the Purchaser appoints undertakes not to disclose any confidential information except where permitted in the circumstances provided for by Article 31 (*Confidentiality*) and (iii) in respect of the Protected Debtors, subject to the provisions of the Data Protection Trust Agreement.

The Purchaser or any other person, whom the Purchaser appoints, shall in no way be obliged to reimburse the Centralising Unit or the Sellers, for any expense incurred by the Centralising Unit or the Sellers when allowing access to use the relevant documents, nor to compensate the Centralising Unit or the Sellers for any loss which such access or use might cause, other than any loss resulting from the gross negligence (*faute lourde*) or willfull misconduct (*dol*) of the Purchaser or such other person or the breach by the Purchaser of its material obligations under the Transaction Documents.

## **CHAPTER X COLLECTION OF SOLD RECEIVABLES**

### **21. COLLECTION OF SOLD RECEIVABLES**

#### **21.1 Seller's Collection Mandate**

The Purchaser hereby appoints each Seller, who accepts, to act as the Collection Agent for the purposes of the collection of Sold Receivables under a Collection Mandate in accordance with the terms and subject to the conditions of this Agreement and the relevant Receivables Purchase Agreement. Each Seller hereby irrevocably renounces resigning from its role as Collection Agent for the duration of this Agreement.

Each German Seller (other than Goodyear Dunlop Tires OE GmbH) shall have the right to sub-delegate, in accordance with the related BMA, to the respective Nominee Company the whole or certain tasks relating to the collection of Sold Receivables, provided that:

- (i) such German Seller remains liable *vis-à-vis* the other Parties for the proper performance of those tasks; and

- (ii) as a result of such sub-delegation, such Nominee Company has undertaken to comply with all obligations binding upon such German Seller under this Agreement and the relevant Receivables Purchase Agreement with respect to the collection of Sold Receivables.

In addition, the Purchaser hereby appoints the Sellers, who hereby accept to act on its behalf for the purposes of Articles 24 and 25 or where expressly provided for in this Agreement or any of the Receivables Purchase Agreements.

No Seller shall have any authority to act on behalf of the Purchaser except as provided in this Agreement or the Receivables Purchase Agreements.

## **21.2 Collection Support**

Upon the occurrence of a Collection Rating Trigger Event, the Purchaser may request any Stand-by Servicer(s) to provide the relevant Sellers with logistic support to carry out the collection of Sold Receivables with greater efficiency, provided that the Stand-by Servicer(s) shall not be obliged to provide such logistic support. If the Centralising Unit, acting in the name and on behalf of the Sellers, accepts such offer and the relevant Stand-by Servicer(s) accept(s) to provide such logistic support, the Centralising Unit shall reimburse the Stand-by Servicer(s) with any duly documented costs incurred in connection with the setting up of such logistic support.

## **21.3 Termination of the Collection Mandate**

### **21.3.1 Solely in the event of:**

- (i) any Early Amortisation Event under Article 13.3 (xv);
- (ii) any failure of any of the Sellers to comply with their respective obligations under Article 12.1.2 (vi), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware;
- (iii) entry of any Seller, any Nominee Company, the Centralising Unit, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR or any Material Subsidiary into Insolvency Proceedings;
- (iv) any failure by a Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to make a payment (including any deposit or transfer of Adjusted Collections to the Purchaser) when due under the Transaction Documents:
  - (w) which is not remedied within two (2) Business Days, provided that such failure is due to a technical reason which affects the means of payment in the banking system used by such Seller or by the Centralising Unit and is not otherwise covered by clause (y) below;
  - (x) which is not remedied within four (4) Business Days, where such failure arises in relation to the payment of the Management Fee or the Stand-by Fee;
  - (y) which is not a scheduled payment under the Transaction Documents and which is not remedied within two (2) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;

- (z) which is a scheduled payment (including a payment due pursuant to Article 6.3.2.) and is not otherwise covered by clause (w) or (x) above;
- (v) any restructuring of (a) a Seller leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of such a Seller, or (b) GOODYEAR DUNLOP TIRES EUROPE BV leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of GOODYEAR DUNLOP TIRES EUROPE BV, or (c) the Centralising Unit leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold directly or indirectly 100% in the share capital and voting rights of the Centralising Unit;
- (vi) any failure by any Seller (except the UK Seller) to deliver an Auditors Certificate, complying with the relevant form attached as SCHEDULE 4 (adapted *mutatis mutandis* in the case of GOODYEAR DUNLOP TIRES OE GmbH), as provided for under Article 12.1.1 (vii), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
- (vii) any failure by any Seller or the Centralising Unit to deliver a Solvency Certificate, with respect to such Seller and/or, if relevant, any Nominee Company, complying with the relevant form attached as SCHEDULE 5 (adapted *mutatis mutandis* in the case of GOODYEAR DUNLOP TIRES OE GmbH), as provided for under Article 12.1.1 (xii) and 12.2.1 (vi), which is not remedied within ten (10) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
- (viii) any Material Indebtedness of GOODYEAR TIRES EUROPE BV or any of its subsidiaries, or GOODYEAR (a) has not been paid or repaid when due (after giving effect to any applicable grace period) or (b) has become due and payable before its stated date of payment as a result of a declared default and after the expiry of any applicable grace period, provided that, in each case, such default has not been waived pursuant to the terms of the relevant agreement;
- (ix) any change of any kind, in any Seller's or Centralising Unit's articles of association, business or assets, which would be reasonably likely to result in a Material Adverse Effect;
- (x) any representation and warranty made by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under the Transaction Documents (other than under Article 19), or any information contained in any document delivered by any Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to the Purchaser pursuant thereto, is found to have been inaccurate on the date on which it was made or delivered, if such inaccuracy (a) is not remedied or waived accordingly within thirty (30) days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, and (b) is reasonably likely to result in a Material Adverse Effect;
- (xi) there is an attachment, freezing or seizure (*saisie*) order against all or any material part of the property, assets or revenues of the Centralising Unit or any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV or in the event that either the Centralising Unit or any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV has become subject at any time to any court order or other court process having similar effect and such attachment, seizure (*saisie*), court order or court process remains in effect and is not discharged during a period of forty five (45) calendar days following the date on which it was served;
- (xii) the validity of the Transaction Documents or a Transfer Deed issued pursuant to the Receivables Purchase Agreement or any Payment hereunder or thereunder is

successfully challenged by any enforcement order issued or judgment obtained as a result of proceedings before any court (including arbitration proceedings);

- (xiii) (a) any of the Transaction Documents becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to their respective terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser in any material respect;
- (b) a Transfer Deed becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to its terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser;
- (xiv) any Collection Account Agreement is terminated for whatever reason and such Collection Account Agreement is not replaced by (a) a then existing Collection Account Agreement or (b) an equivalent collection account agreement that has been approved by the Purchaser, the Agent, the Issuers and the Liquidity Banks (such consent not to be unreasonably withheld or delayed);

the Purchaser may terminate the appointment of each Seller for collection of the Sold Receivables by issuing or causing any other entity it has appointed for such purpose to issue to this effect:

- (a) a letter sent by registered mail with acknowledgement of receipt to each Seller; and
- (b) subsequently, a Notice of Transfer to each of the Debtors, in accordance with the relevant Receivables Purchase Agreement, provided that the cost of delivery of a Notice of Transfer is borne exclusively by the Centralising Unit, acting in the name and on behalf of the Sellers and shall be reasonable and duly documented.

The appointment of any Seller for the purpose of the collection of any Sold Receivable shall terminate automatically on the date of receipt by the Centralising Unit, acting in the name and on behalf of the relevant Seller, of the letter referred to under point (a) above. As of such date, the Seller shall forthwith transfer to the credit of the relevant Purchaser's Collection Account any amount received from the relevant Debtors relating to the Sold Receivables, in accordance with the provisions of the Collection Account Agreements.

The termination of the appointment of a Seller as collection agent shall not affect the obligations of such Seller under this Agreement or the relevant Receivables Purchase Agreement, with the exception of those relating to the collection of the Sold Receivables. Notwithstanding any other provisions of this Agreement, neither the Purchaser nor any of its agents shall, at any time other than following the termination of the collection mandate of the Sellers pursuant to this Article 21.3.1, contact or communicate with any Debtor in respect of any Sold Receivable or the Securitisation Transaction.

- 21.3.2 In addition, the Purchaser shall be entitled to appoint a (or several) Back-Up Servicer(s) for the collection of all or part of the Sold Receivables for which a Notice of Transfer has been delivered to the relevant Debtors in accordance with Article 21.3.1 above.

The Purchaser confirms that, as a condition precedent to its(their) appointment(s), the Back-Up Servicer(s) have (or will have) agreed with the Purchaser to comply with the provisions of this Agreement.

Each Seller, upon being notified of the exercise of such a right by the Purchaser undertakes:

- (i) to take all steps and do all things to enable the Back-Up Servicer(s) to take over the Seller's undertakings as collection agent(s);

- (ii) to deliver in accordance with the provisions of Article 20 (*Identification of the contractual documentation for the Sold Receivables — Access to documents*) and Article 31 (*Confidentiality*) to the Back-Up Servicer(s) any and all original copies of the contractual documentation or the computer information concerning the Sold Receivables as well as any other document as might be reasonably requested by the Back-Up Servicer(s) in order to perform its(their) obligations as servicer(s);
- (iii) to transfer forthwith to the credit of the relevant Purchaser's Collection Account, any Actual Collections relating to Sold Receivables it may directly receive from any Debtor;
- (iv) to indemnify forthwith the Purchaser, for any reasonable costs and expenses duly evidenced and incurred by the latter in relation to the Notice of Transfer; and
- (v) to indemnify forthwith the Purchaser, for any reasonable costs incurred by the latter due to the appointment of the Back-Up Servicer(s) to act as collection agent(s), provided that the Back-Up Servicer(s) furnishes(furnish) any documents evidencing such costs within the limits set forth in Article 27.3.

The Purchaser shall, immediately upon payment by the Centralising Unit, acting on its own behalf and on behalf of the Sellers, of all amounts owed to the Purchaser, (i) take all steps necessary to terminate any rights it may have with respect to any Collection Accounts, and (ii) if the Sellers' collection mandate has been terminated pursuant to the terms of this Article, revoke any collection mandate granted to the Back-Up Servicers or any other agent of the Purchaser.

21.3.3 Each of the Sellers hereby irrevocably renounces resigning from its role under the Collection Mandate referred to in this Article 21 for the duration of this Agreement. Such Collection Mandate may only be terminated in the circumstances and in accordance with the procedures provided for in the present article or, with respect to a particular Seller, if it has ceased to be a party to this Agreement in accordance with the provisions herein, when all Sold Receivables originated by such Seller have been collected, repurchased in accordance with this Agreement or determined to be uncollectible.

#### **21.4 Currency Exchange Rate**

GOODYEAR DUNLOP TIRES OE GmbH and the UK Seller shall, each for the purposes of its role as collection agent pursuant to the Collection Mandate, transfer collections of the Sold Receivables received from English Debtors to the Purchaser and the Agent shall apply the Exchange Rate as of the Assessment Date applicable to such collections in order to convert the collections into Euro for the purposes of this Agreement.

### **22. ASSESSMENT REPORT AND BACK-UP SERVICER REPORT**

- 22.1** As long as a Seller acts as collection agent in respect of any Sold Receivable, such Seller shall draw up or cause to be drawn up, an Assessment Report in the form set out in SCHEDULE 3, which shall be delivered by the Centralising Unit acting in the name and on behalf of the Sellers to the Agent on each Information Date.
- 22.2** In the event of the termination of the Collection Mandate, in accordance with the provisions of Article 21.3, the Purchaser or, as the case may be, the Back-Up Servicers shall draw up a Back-Up Servicer Report on each Information Date.



## **23. APPLICATION OF PAYMENTS AND PAYMENTS OF COLLECTIONS**

### **23.1 Application of Payments**

Subject to any applicable laws and to the provisions of the Collection Account Agreements, any payment received by a Seller from any of its Debtors shall be applied first to Sold Receivables (before being applied to other obligations of such Debtor), unless the said Debtor has given express instruction otherwise.

### **23.2 Payment of collections**

23.2.1 In so far as a Seller acts as collection agent in respect of any Sold Receivable, the Parties agree that:

- (i) during the Replenishment Period, on each Settlement Date, Adjusted Collections shall be recorded and applied in the manner provided for in Article 6;
- (ii) during the Replenishment Period, on each Funded Settlement Date, the Cash Collections Advance shall be transferred by the Centralising Unit to the Purchaser's Account before 12.00 (noon) on such Settlement Date;
- (iii) on each Business Day during the Amortisation Period, the Centralising Unit shall transfer to the Purchaser's Account the Actual Collections collected on such day.

If a Seller no longer acts as collection agent in respect of any Sold Receivable, the Parties agree that the relevant Back-Up Servicer shall transfer to each relevant Purchaser's Collection Account the Actual Collections made in relation to the Sold Receivables purchased from such Seller. Such Actual Collections shall be applied to the payments in the manner provided for in Article 6 until the Commitment Expiry Date, and thereafter, as provided for in Article 16.

23.2.2 Except as provided for in Article 23.2.1, the Sellers and the Centralising Unit shall not be required to transfer any collections to the Purchaser.

### **23.3 Collection Accounts**

The Sellers and the Purchaser have agreed to put in place Collection Accounts in each jurisdiction in which a Seller is located in order to segregate any cash received by the Sellers, when acting in their capacity as collection agent under the foregoing provisions and the relevant Receivables Purchase Agreement.

A Collection Account Agreement shall be concluded in relation to each Collection Account.

Notwithstanding the provisions of Article 23.1 hereof and of the Collection Account Agreements, the Purchaser agrees that, in the event that the Centralising Unit provides reasonably satisfactory evidence that a payment made to any Collection Account does not relate to Sold Receivables or Retransferred Receivables, the Purchaser shall promptly authorise the return of such payment to the Centralising Unit, within the limit of the credit balance of the relevant Collection Account.

## **24. RENEGOTIATION**

### **24.1 Authorisation to renegotiate in Insolvency Proceedings**

Each Seller acting on behalf of the Purchaser may, in the context of Insolvency Proceedings relating to any Debtor (if Insolvency Proceedings apply to such Debtor), participate in the

setting up of a voluntary rescheduling and may make proposals for that purpose, provided that:

- (i) it complies with its obligations under Article 26 (*Obligations of care*); and
- (ii) in the event that the Outstanding Amount of the Sold Receivables subject to such renegotiation exceeds € 1,500,000, it has obtained the prior written consent of the Purchaser to renegotiate.

## **24.2 Renegotiations as to amount and maturity date**

The Purchaser agrees that each Seller, acting on behalf of the Purchaser, may issue Credit Notes, Year End Rebates or Commercial Discounts in accordance with its management procedures and accordingly modify the amount and Maturity Date of the Sold Receivables for which such Credit Notes, Year End Rebates or Commercial Discounts have been issued, provided that the Seller performs its obligations set forth under Article 28 (*Deemed collections*).

## **24.3 Other renegotiations**

Subject to the provisions of Articles 24.1 and 24.2, the Purchaser authorises each Seller, acting in the name and on behalf of the Purchaser, to agree to new terms in relation to any Sold Receivable:

- (a) if the Purchaser expressly consents in writing;
- (b) without prior notification to or consent of the Purchaser, provided that such renegotiation:
  - (i) complies with its obligations under Article 26 (*Obligations of care*); and
  - (ii) does not adversely affect the rights of the Purchaser under such Sold Receivables, including any security interests, privileges and ancillary rights attached thereto; or
- (c) without prior notification to or consent of the Purchaser, if such Sold Receivable is a Defaulted Receivable.

## **25. REPRESENTATION MANDATE**

The Purchaser hereby appoints each Seller as its agent to undertake and to conduct, in the name and on behalf of the Purchaser, all proceedings in court or out of court as are necessary for the collection of the Sold Receivables, including those deeds and formalities required for such proceedings, subject to compliance with its obligations set out in Article 26 (*Obligations of care*). In particular, each Seller shall freely issue and conduct, in the name and on behalf of the Purchaser, all writs, pleadings, arguments, enforcement proceedings, interventions by agreement or order, defences, defences to third party proceedings, and appeals, as may be necessary in its opinion to recover the sums due under the Sold Receivables.

The Purchaser agrees that it shall intervene in any claims or proceedings initiated upon such Seller's request to assist such Seller in any claims or proceedings initiated by the latter, in the event that such Seller deems it necessary or whenever required by the applicable statutory or regulatory provisions.

Each Seller agrees that it shall intervene in any claim or proceedings initiated upon the Purchaser's request to assist the Purchaser in any claims or proceedings initiated by the

Purchaser, in the event that the Purchaser deems it necessary or whenever required by the applicable statutory or regulatory provisions, provided that the Purchaser shall only be entitled to initiate any such claim or proceeding in the event that (i) the collection mandate of the Sellers has been terminated pursuant to the provisions of Article 21.3 or (ii) after the Program Expiry Date, any amount remains due to the Purchaser under any of the Transaction Documents.

Furthermore, the Purchaser authorises each Seller to issue, as appropriate, a subrogation receipt to any third party in return for any full and irrevocable payment made by that third party in substitution for any Debtor.

Any expenses incurred by each Seller in carrying out its mandate shall be borne exclusively by such Seller.

## **26. OBLIGATIONS OF CARE**

Each Seller undertakes to act and, in the case of the German Sellers, to procure that any Nominee Company acts, in the collection of the sums due under the Sold Receivables in accordance with the standards of a prudent and informed businessman, and to be no less diligent than it would be in collecting sums due under its own receivables, and in particular:

- (i) to apply to the collection of the sums due under the Sold Receivables, procedures that comply in all material respects with all applicable laws and regulations and the contracts underlying the Sold Receivables;
- (ii) to take such measures as may reasonably be required to ensure that all security interests, rights, claims, privileges and other benefits (*droits accessoires*) attached to the Sold Receivables, remain in force and are exercised in a timely fashion;
- (iii) to take such steps as are reasonably necessary to oppose any claim challenging the existence, validity, amount or maturity of the Sold Receivables or the security interests, rights, claims, privileges and other benefits attached thereto, if any;
- (iv) to take such steps, including without limitation any legal actions such as proceedings in court, as may be reasonably necessary and appropriate for the collection of the sums due under the Sold Receivables; and
- (v) to take such steps to cause any attachment, seizure (*saisie*) or any other enforcement measure levied or applied against any accounts where the sums due pursuant to the collection of Sold Receivables are received, to be released or withdrawn within thirty (30) calendar days.

## **27. COMMISSION FOR AND COSTS OF COLLECTION**

**27.1** The Parties agree that the Sellers to whom such tasks are delegated shall not receive a commission or remuneration for providing the collection service.

**27.2** Each Seller shall bear its own costs incurred in the course of providing the collection service, without any claim against the Purchaser, for reimbursement. The termination of the mandate granted to the Sellers in Article 21 (*Collection of Sold Receivables*) shall not give to the Sellers any right to compensation.

**27.3** In the event that a (or several) Back-Up Servicer(s) is(are) appointed to act as agent for the collection of all or part of the Sold Receivables pursuant to the terms of Article 21.3, such Back-Up Servicer(s) shall be entitled to receive from the Centralising Unit, acting on behalf of the Sellers, a fee to be agreed from time to time between the Purchaser and the Back Up

Servicer on any Funded Settlement Date following its appointment until the Program Expiry Date. The parties acknowledge that the payment of such fee shall be expressly excluded from the Current Account mechanism.

In the event that the Centralising Unit fails to pay the amounts referred to under this Article 27.3 on any Funded Settlement Date, the Purchaser shall proceed forthwith to the payment of such amounts, on the Centralising Unit's behalf. As such, the Purchaser shall be, upon delivery of a subrogation notice (*quittance subrogative*) by the Back-Up Servicer(s), subrogated in the rights of the Back-Up Servicer(s) against the Centralising Unit to the extent of the sums paid to the Back-Up Servicer(s).

#### **27.4 Stand-by servicing**

- 27.4.1 Upon the occurrence of a Collection Rating Trigger Event, the Purchaser shall be entitled to appoint any Stand-By Servicer(s) for the preparation and putting in place of any back-up servicer procedure.
- 27.4.2 On each Funded Settlement Date as from the appointment of any Stand-By Servicer(s) and until the appointment of a Back-Up Servicer pursuant to Article 21.3, the Centralising Unit shall pay to such Stand-By Servicer(s) a Stand-By Fee whose aim shall be to compensate the Stand-By Servicer's undertaking to act as back-up servicer upon request during the term of the Agreement. The maximum amount of such Stand-By Fee shall be equal to, for the first year following the Amendment Date, €300,000 (exclusive of VAT) (for the up-front part), and €350,000 *per annum* (exclusive of VAT) (for the on-going part) and, if different, shall afterwards be agreed on or about each anniversary date of such Amendment Date between the Purchaser and the Stand-By Servicer. The parties acknowledge that the payment of such Stand-By Fee shall be expressly excluded from the Current Account mechanism.
- 27.4.3 In addition, in the event that the Purchaser exercises any of its rights to collect sums directly from any Collection Account(s), in accordance with the relevant provisions of the Collection Account Agreement(s), the Centralising Unit shall pay to the Agent a fee equal to € 500 per Collection Account (VAT excluded) on the Funded Settlement Date following the exercise by the Purchaser of such right. The parties acknowledge that the payment of such fees shall be expressly excluded from the Current Account mechanism.
- 27.4.4 In the event that the Centralising Unit fails to pay any fees described in the present Article 27.4 in a timely manner, the Purchaser shall proceed forthwith with the payment of such fees, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the Purchaser shall be, upon delivery of a subrogation notice by the Stand-By Servicer, subrogated in the rights of the Stand-By Servicer against the Centralising Unit to the extent of the sums paid to the Stand-By Servicer in respect of these fees.

#### **27.5 Data Protection Trustee**

- 27.5.1 The Data Protection Trustee Agreement provides that, upon the occurrence of a Collection Rating Trigger Event, the Purchaser shall be entitled to replace the then existing Data Protection Trustee by any substitute Data Protection Trustee. The Centralising Unit, acting on behalf of the German Sellers, shall pay to the Data Protection Trustee the compensation contemplated in the Data Protection Trustee Agreement. The parties acknowledge that the payment of such compensation shall be expressly excluded from the Current Account mechanism.
- 27.5.2 In the event that the Centralising Unit fails to pay the compensation described in the present Article 27.5, the Purchaser shall proceed with the payment of such compensation, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the

Purchaser shall be, upon delivery of a subrogation notice by the Data Protection Trustee, subrogated in the rights of the Data Protection Trustee against the Centralising Unit to the extent of the sums paid to the Data Protection Trustee in respect of this compensation.

## CHAPTER XI DEEMED COLLECTIONS

### 28. DEEMED COLLECTIONS

#### 28.1 Upon the occurrence of any one of the following events:

- (i) the issue of any Credit Notes or Commercial Discounts as referred to in Article 24.2, in relation to any Sold Receivables;
- (ii) any contract, which gives rise to a Sold Receivable, has been terminated and the relevant goods have been billed but remain to be delivered by any Seller or by any Nominee Company, in whole or in part, on the termination date of such contract;
- (iii) any set-off agreed by any Seller or by any Nominee Company, or by operation of law or by a court decision between debts owed to any Debtor and the Sold Receivables against such Debtor;
- (iv) any Sold Receivable has been cancelled, in whole or in part;
- (v) any Amended Invoice arises;
- (vi) the issue of any Credit Note over Snow Tires, in relation to any Sold Receivables; or
- (vii) the issue of any Year End Rebates, in relation to any Sold Receivables, unless such Year End Rebates have been cancelled or paid in cash by the relevant Seller or Nominee Company,;

the relevant Seller shall be deemed to have received the amount it would have collected if such event had not occurred (the “**Deemed Collection**”), provided that no Deemed Collection shall be due as a result of a Debtor’s failure, independent from and beyond one Seller’s or Nominee Company’s control and from any of (i) through (vii) above, to make payments in respect of Sold Receivables.

Moreover, given the internal billing procedures of each Seller and/or the respective Nominee Company, it may be the case that certain Sold Receivables are declared by a Seller as being extinguished partially or completely, in an Assessment Report and/or in any electronic file attached thereto, even though such Sold Receivables have not been fully paid by their respective Debtors (the “**Deemed Extinguished Receivables**”). Therefore, in order to offset the absence of any payment of cash collections arising in relation to such Deemed Extinguished Receivables, such Deemed Extinguished Receivables shall be considered as a Deemed Collection and shall be paid pursuant to Articles 28.2 and 28.3.

#### 28.2 The relevant Sellers, the Centralising Unit and the Agent shall cooperate to determine the amount of Deemed Collections, provided that:

- (i) during the Replenishment Period, the amount of Deemed Collections shall be debited from the Current Account through the adjustment of Adjusted Collections (as provided in the definition of such term);
- (ii) during the Amortisation Period, the amount of Deemed Collections shall be transferred by the Centralising Unit to the Purchaser's Account on each Funded Settlement Date and on each Intermediary Settlement Date.

**28.3** In the event that any Seller or, as the case may be, the Centralising Unit, acting in the name and on behalf of the Sellers, fails to pay any Deemed Collections as required pursuant to Article 28.2 (ii), the Purchaser may automatically set-off (a) the amount of such Deemed Collections against (b) any amount due or thereafter to become due to such Seller or, as the case may be, to the Centralising Unit, under the Transaction Documents. As soon as practicable, the Purchaser shall notify the Centralising Unit after exercise of its right of set-off.

In the event that, notwithstanding such set-off, Deemed Collections still remain unpaid, the Purchaser shall have recourse against the relevant Seller's assets or, as the case may be, against the Centralising Unit's assets, but only to the extent of the amounts remaining unpaid.

Any unpaid Deemed Collection shall remain outstanding until it has been paid in full in accordance with the present Article 28.3.

## **CHAPTER XII MISCELLANEOUS**

### **29. FEES AND EXPENSES**

The Centralising Unit acting in the name and on behalf of the Sellers shall reimburse the Purchaser, acting for its own account and/or as proxy for (i) any reasonable and duly documented expenses (including legal fees, costs and expenses) arising out of any modification, waiver or amendment of the Transaction Documents to which the Centralising Unit and/or the Sellers are a party and requested by the Centralising Unit, acting in the name and on behalf of the Sellers, or the Rating Agencies, (ii) any reasonable and duly documented expenses, claims, damages and liabilities (including legal fees, costs and expenses) incurred in connection with the perfection, preservation and/or enforcement of the rights of the Purchaser, the Issuers and the Liquidity Banks under the Securitisation Transaction or (iii) any reasonable and duly documented expenses (including legal fees, costs and expenses) incurred in connection with the renewal of any Liquidity Agreement and, as the case may be, in connection with the implementation of an alternative funding described in any Liquidity Bank Letter, subject to prior communication by the Purchaser to the Centralising Unit of an estimate of fees in the event that the Centralising Unit requests this estimate.

### **30. SUBSTITUTION AND AGENCY**

Each Party shall have the right to be assisted by, to appoint or to substitute for itself one or more third parties in the performance of certain tasks provided that:

- (i) such Party has given prior written notice to the other Party and, in any case, the Purchaser has notified the Rating Agencies;

- (ii) such Party remains liable to the other Party for the proper performance of those tasks and the relevant third party (parties) has (have) expressly renounced any right to any contractual claim against the other Party;
- (iii) the relevant third party (parties) undertake(s) to comply with all obligations binding upon such Party under this Agreement;
- (iv) the Rating Agencies have confirmed that the contemplated change will not entail a downgrading or withdrawal of the current rating of the Notes issued by the Issuers or that the contemplated change will reduce such downgrading or prevent such withdrawal; and
- (v) each other Party has given prior written consent to this appointment and/or substitution, such consent not to be unreasonably withheld.

### 31. CONFIDENTIALITY

Each Party agrees to treat all information of any kind transmitted by any other Party in connection with the Securitisation Transaction as confidential. The Parties agree not to disclose such information to any other person and to ensure that their respective personnel similarly respect the confidential nature of such information.

This provision shall not prevent:

- (i) either Party from transmitting such information as may be required by its statutory auditors, public organisations or any governmental, regulatory, fiscal, or monetary institution or other authority, in so far as it is obliged to do so by the applicable laws and regulations in force;
- (ii) the Purchaser from transmitting such information to any person who will provide or will undertake to provide directly or indirectly funds to the Purchaser or any agent appointed by the Purchaser pursuant to Article 20 (*Identification of the contractual documentation for the Sold Receivables — Access to Documents*), provided that the Purchaser undertakes that such person shall be bound to treat such information as confidential under the same terms and subject to the same conditions as provided for in the Transaction Documents;
- (iii) the Purchaser from using any original or duplicate copy of the contractual documentation or any computer information referred to in Article 20 (*Identification of the contractual documentation for the Sold Receivables-Access to documents*) of this Agreement in order to take all such measures deemed necessary by the Purchaser to preserve, and/or enforce its rights under the Transaction Documents, including without limitation any legal actions;
- (iv) either Party from providing the Rating Agencies with any information they may require;
- (v) either Party from transmitting such information as may be in the public domain other than as a result of a breach of this Article or a breach of any other confidentiality obligation;
- (vi) subject to GOODYEAR's prior written consent, CALYON, the Issuers and the Liquidity Banks from using exclusively the following information: the amount involved in the Securitisation Transaction, the countries concerned, the number of Sellers, the structure of the transaction, the identity of the legal counsel involved in the Securitisation Transaction, the closing date of the Securitisation Transaction, the maturity of the Securitisation Transaction and the identity of the parties to the Securitisation Transaction; and

- (vii) the Purchaser and CALYON from transmitting such information to any other person involved in the Securitisation Transaction, provided that the Purchaser and the CALYON undertake that such person shall be bound to treat such information as confidential under the same terms and subject to the same conditions as provided for in the Transaction Documents.

This obligation to preserve confidentiality shall remain valid for ten (10) years from the Program Expiry Date.

## **32. NOTICES**

- 32.1** Except as otherwise set forth in the Transaction Documents, all notices, requests or communications which must or may be made pursuant to this Agreement shall be by way of writing, mail or fax.
- 32.2** All notices, requests or communications to be made and all documents to be delivered from one Party to the other Party under the Transaction Documents shall be made and delivered to the addressees referred to in SCHEDULE 7 (and in the case of the Sellers, to the Centralising Unit, acting in the name and on behalf of the Sellers).
- 32.3** All notices, requests or communications made and all documents delivered under the Transaction Documents shall only take effect upon the date of their receipt by its addressee.
- 32.4** Each of the Parties may at any time modify the addressee of the notices, requests or communications to be made and the documents to be delivered to it under the Transaction Documents by sending to that effect a letter or fax to the other Party indicating the name of the new addressee.
- 32.5** The Parties agree that the Centralising Unit shall be responsible for receiving written notice on behalf of the Sellers, and that any notice given to the Centralising Unit shall be deemed validly received by all of the Sellers upon receipt by the Centralising Unit.
- 32.6** The Parties agree that the Purchaser shall be responsible for receiving written notice on behalf of the Agent, the Joint Lead Arrangers and the Calculation Agent, and that any notice given to the Purchaser shall be deemed validly received by the Agent, the Joint Lead Arrangers and the Calculation Agent upon receipt by the Purchaser.

## **33. EXERCISE OF RIGHTS – RECOURSE – NO PETITION**

- 33.1** All rights conferred on the Purchaser by this Agreement or by any other document delivered pursuant to or incidental to this Agreement, including rights conferred by law, shall be cumulative and may be exercised at any time.
- 33.2** The fact that a Party does not exercise a right or delays doing so shall in no way be treated as a waiver of that right. The exercise of one right or a partial exercise shall not prevent any Party from exercising such a right in the future, or from exercising any other right.

### **33.3 Limited Recourse**

The Centralising Unit, the Agent, the Joint Lead Arrangers, the German Parties and the Sellers waive any right that they may have to initiate any proceeding whatsoever in relation to the contractual liability (*responsabilité contractuelle*) of the Purchaser, except in the case of its own gross negligence (*faute lourde*) or willful misconduct (*dol*) and agree to limit their claims and recourse against the Purchaser (including in the event of a breach by the Purchaser of any of its representations and warranties, or any of its obligations hereunder) to the amount of the Available Funds on the relevant date.



- 33.4** Any recourse of the Purchaser against the Sellers, the Centralising Unit or any of their respective Affiliates, directors, officers and employees in relation to the non payment by any Debtors of any sums due under the Sold Receivables, shall be limited to the amount of the Subordinated Deposit and, to the extent provided in Article 16, the Complementary Deposit.

**33.5 Non Petition**

The Centralising Unit, the Agent, the Joint Lead Arrangers, the German Parties and the Sellers irrevocably and unconditionally undertake and agree not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE, the purpose of which is the appointment of a conciliator or an *ad hoc* agent, or the opening of receivership proceedings or insolvency proceedings or any other similar proceedings.

**34. TRANSFERABILITY OF THIS AGREEMENT**

This Agreement is entered into on the *intuitu personae* of the parties to this Agreement. It is agreed that none of the parties may transfer this Agreement, or the rights and obligations under this Agreement, to any third party whatsoever without the prior written consent of all the other parties.

**35. AMENDMENT TO THE TRANSACTION DOCUMENTS**

- 35.1** No amendment to the Transaction Documents may be made without the written consent of each other party thereto and (a) unless the Rating Agencies (i) have been informed and provided by CALYON with all necessary details they may require in respect of such contemplated amendment and (ii) have confirmed that the contemplated amendment will not entail a downgrading or withdrawal of the current ratings of the Notes issued by the Issuers, or that the contemplated amendment will reduce such downgrading or prevent such withdrawal, and (b) each Issuer and each Liquidity Bank has given its prior written consent to such amendment (such consent not being unreasonably withheld or delayed).
- 35.2** Without prejudice to the foregoing, the Transaction Documents may be amended with the prior consent of the Joint Lead Arrangers, the Agent, the Purchaser (having obtained the prior consent of the Refinanced Seller) and the Centralising Unit, acting for itself and in the name and on behalf of each of the Sellers and Goodyear Dunlop Tires Germany GmbH and without the explicit specific prior written consent of the Sellers or Goodyear Dunlop Tires Germany GmbH in each of the following cases :
- (i) the accession of any New Seller, provided that the conditions of Article 40 (*Accession of New Sellers*) are met;
  - (ii) amendments to the definition of Eligible Receivable, Eligible Debtor, Remaining Purchasable Receivable, Ongoing Purchasable Receivables, Refinanced Eligible Receivable, Refinanced Remaining Purchasable Receivable, Refinanced Ongoing Purchasable Receivables and other definitions relating to the inclusion of cross border receivables, and amendments to related representations and warranties, provided that any such amendment shall require the explicit written consent of the Seller or Sellers that shall sell such cross border receivables;
  - (iii) addition of new Liquidity Banks and Issuers to the Securitisation Documents;
  - (iv) any changes to the calculation formulae of the Discount Rate, the Discount Reserve Rate and the Deferred Purchase Price under the Receivables Purchase Agreements and changes to the provisions of Article 10 above; and
  - (v) any changes in SCHEDULE 3, SCHEDULE 11, SCHEDULE 12, SCHEDULE 14 and SCHEDULE 15.

Each Seller and Goodyear Dunlop Tires Germany GmbH hereby appoints the Centralising Unit as its agent, to act in its name and on its behalf, to negotiate and execute any amendment to any of the Transaction Documents referred to above and for this purpose exempts the Centralising Unit from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) and similar restrictions under the laws of other jurisdictions, in each case to the extent permitted by applicable law.

- 35.3** Moreover, the Purchaser shall not accept any amendment to any Collection Account Agreement to which it is a party without the prior written consent of the Issuers and the Liquidity Banks (such consent not to be unreasonably withheld or delayed) (except where such amendment to any Collection Account Agreement consists exclusively of changing the bank at which such account is held and the financial rating of such bank is at least AA (Standard & Poor's) and Aa1 (Moody's Investor Services)).

The Purchaser hereby covenants to the Centralising Unit and the Sellers that none of the Securitisation Documents, to which the Centralising Unit, the Sellers, GOODYEAR DUNLOP TIRES EUROPE BV or GOODYEAR are not party, shall be amended or otherwise modified in a way adverse to the interests of the Centralising Unit, any Seller, GOODYEAR DUNLOP TIRES EUROPE BV or GOODYEAR without their prior written consent (such consent or denial thereof not to be unreasonably delayed).

## **36. INDEMNITIES**

Without limiting any other rights which the Indemnified Parties may have under the Transaction Documents or any related documents or under applicable law, each of the Centralising Unit and each Seller hereby agrees to indemnify the Purchaser, the Refinanced Seller, the Agent, the Joint Lead Arrangers, the Calculation Agent, the Depositor, the Issuers, the Liquidity Banks, each of their respective affiliates and each officer, director, employee and agent of any of the foregoing (each an **"Indemnified Party"**) from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) (and, in each case, any value added tax thereon) in any way arising out of the Transaction Documents or any documents related to the Securitisation Transaction (excluding, however, any of the foregoing (a) to the extent resulting from the gross negligence (*faute lourde*) or willful misconduct (*dol*) on the part of such Indemnified Party or the breach by an Indemnified Party of material obligations under any Transaction Document or any related document, as finally determined by a court of competent jurisdiction), or (b) constituting recourse for Sold Receivables which are not paid or are uncollectible on account of the insolvency, bankruptcy or inability to pay of the applicable obligor) (collectively, **"Indemnified Amounts"**), including, without limitation, any and all damages, losses, claims, liabilities, costs and expenses incurred by or asserted against any Indemnified Party as a result of:

- (a) any claims, actions, suits or proceedings commenced by any Debtor or any of its affiliates or any third party in connection with any of the Sold Receivables, the Refinanced Sold Receivables, the transactions out of which they arose or the goods or services the sale or provision of which gave rise to any Sold Receivables and any Refinanced Sold Receivables;
- (b) reliance on any representation or warranty or statement made or deemed made by or on behalf of any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under or in connection with any Transaction Document or any related agreement or any certificate or report delivered pursuant hereto or thereto that, in either case, shall have been false or incorrect when made or deemed made;

- (c) any failure of any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to perform its duties or obligations under this Agreement or the other Transaction Documents;
- (d) any governmental investigation, litigation or proceeding related to this Agreement or in respect of any Sold Receivable and/or any Refinanced Sold Receivables;
- (e) the failure by any Seller (or any of its affiliates) to comply with any applicable law with respect to any Sold Receivable or Refinanced Sold Receivable (or any contract by which it arose or by which it is evidenced or governed), or the nonconformity of any Sold Receivable or any Refinanced Sold Receivable (or such contract) with any such applicable law, or any action taken by any of the Sellers (or their affiliates or agents) in the enforcement or collection of any Sold Receivable or any Refinanced Sold Receivable;
- (f) any failure of the Purchaser to have and maintain ownership of the Sold Receivables or the Refinanced Sold Receivables, free and clear of any Liens other than those contemplated in the Transaction Documents, or any attempt by any person to avoid, rescind or set aside any sale of Ongoing Purchasable Receivables, Refinanced Ongoing Purchasable Receivables, Remaining Purchasable Receivables and/or Refinanced Remaining Purchasable Receivables to the Purchaser as contemplated by the Transaction Documents;
- (g) any dispute, claim, offset or defense (other than discharge in bankruptcy or similar defense arising from the Debtor's insolvency or inability to pay) of any Debtor to the payment of any Sold Receivable or Refinanced Sold Receivable;
- (h) the failure of any Seller to pay when due any value added taxes or other taxes payable in connection with any of the Receivables or the transactions out of which they arose;
- (i) any commingling of collections on Sold Receivables and/or Refinanced Sold Receivables with any other monies of the Sellers, the Centralising Unit or any of their Affiliates;
- (j) the use by the Sellers or their Affiliates of any monies received by them in payment of the purchase price of Sold Receivables or Refinanced Sold Receivables;
- (k) any products liability or environmental claim, or personal injury or property damage claim, or other similar or related claim or action of any sort whatsoever arising out of or in connection with goods, merchandise or services which relates to any Sold Receivables or Refinanced Sold Receivables;
- (l) (i) a Payment and/or a Transfer Deed ceases to achieve a perfect transfer of Remaining Purchasable Receivables as set out in the relevant Receivables Purchase Agreement; (ii) a payment and/or a transfer deed ceases to achieve a perfect transfer of Refinanced Purchasable Receivables as set out in the Refinanced Receivables Purchase Agreement;
- (m) any Conformity Warranty for Sold Receivables made by a Seller under Article 19 (*Conformity Warranties for Ongoing Purchasable Receivable and Remaining Purchasable Receivables*) (without regard to any knowledge therein) is found to have been inaccurate at the date it was made.

The Sellers and the Centralising Unit shall pay on demand to the Purchaser or, at the Purchaser's direction, to the relevant Indemnified Parties all amounts necessary to indemnify the Indemnified Parties from and against any and all Indemnified Amounts.

### **37. INDIVISIBILITY**

Each party acknowledges that this Agreement, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall form a single set of contractual rights and obligations and that, if the Master Subordinated Deposit Agreement, or the Master Complementary Deposit Agreement becomes void or ceases to be effective and enforceable for any reason whatsoever, this Agreement shall also become void or cease to be effective and enforceable accordingly. Any payment already made by the Centralising Unit acting in the name and on behalf of the Sellers or on its own behalf to the Purchaser under this Agreement, the Receivables Purchase Agreements, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall not be affected by such a nullity, ineffectiveness or unenforceability.

### **38. EXECUTION AND EVIDENCE**

- 38.1** The parties hereby agree that, due to the Assemblact R.C. procedure, which prevents any substitution or addition of any page, each party shall only (i) initial the first and last page of this Agreement and (ii) sign on the execution page.
- 38.2** The parties hereby agree not to register this Agreement with the French tax administration, although if one party elects to do so, it shall carry out such a registration at its own expense.
- 38.3** In accordance with Article 1325 of the French Civil Code, the Sellers, having the same interest in this Agreement, hereby agree that one executed copy of this Agreement, to be kept by the Centralising Unit, shall form title and represent the obligation of each Seller as if a separate original copy had been executed by him.

### **39. WITHDRAWAL OF SELLERS**

- 39.1** The Centralising Unit acting in the name and on behalf of the Sellers, may notify the Purchaser and the Joint Lead Arrangers in writing, in the form set out in SCHEDULE 8, of any request for the withdrawal of one or more Sellers from the Securitisation Transaction and the Transaction Documents to which it is a party. Such request for withdrawal shall be examined as soon as possible and shall be subject to the following conditions:
- (i) confirmation by the Rating Agencies that such withdrawal shall not entail a deterioration or withdrawal of the current rating of the Notes issued by the Issuers;
  - (ii) the obtaining of the prior written consent of each Liquidity Bank;
  - (iii) the conclusion of any amendment to the Transaction Documents, necessary in the Purchaser's opinion; and
  - (iv) the signature by the Seller or Sellers of any document or agreement enabling the relevant Seller to withdraw as a party to this Agreement and the relevant Receivables Purchase Agreement. The parties agree that such Seller or Sellers shall not be bound by any new obligations in respect of this Agreement and the relevant Receivables Purchase Agreement(s), without prejudice to the obligations arising before such Seller(s) withdrawal from this Agreement and the relevant Receivables Purchase Agreement(s).
- 39.2** The withdrawal of any Seller or Sellers shall (i) be requested by the Centralising Unit at least two (2) calendar months before the date contemplated for the withdrawal of such

Seller(s) and (ii) take effect on the first Funded Settlement Date following the fulfilment of the foregoing conditions precedent. The parties agree that each Joint Lead Arranger shall use its best efforts (*dans le cadre d'une obligation de moyens*) to respond as soon as possible.

- 39.3** Any reasonable and duly documented cost (including legal fees) and commissions incurred by the Purchaser and/or the Joint Lead Arrangers in connection with the withdrawal of one or more Sellers shall be borne by the Centralising Unit acting in the name and on behalf of the Sellers. The parties agree that prior to notification by the Centralising Unit to the Purchaser of the request for the withdrawal of such Sellers, the Centralising Unit shall be entitled to request the Purchaser to indicate the costs to be borne in connection with such withdrawal. The Purchaser shall respond within ten (10) calendar days following such request, after which the Centralising Unit shall have five (5) calendar days to notify the Purchaser of its acceptance or refusal of such costs.

#### **40. ACCESSION OF NEW SELLERS**

- 40.1** By way of exception to Article 35, the Parties hereby agree that in the event of the accession of a New Seller to this Agreement, the Purchaser, acting for itself and in the name and on behalf of each of the Joint Lead Arrangers and the Agent, who hereby authorize the Purchaser to enter into the relevant accession agreement and for this purpose exempt the Purchaser from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) and similar restrictions under the laws of other jurisdictions, in each case to the extent permitted by applicable law, and the Centralising Unit, acting for itself and in the name and on behalf of each of the Sellers and Goodyear Dunlop Tires Germany GmbH, who hereby authorize the Centralising Unit to negotiate and enter into the relevant accession agreement and for this purpose exempt the Centralising Unit from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) and similar restrictions under the laws of other jurisdictions, in each case to the extent permitted by applicable law, may agree to such accession by letter and in writing, subject to prior written notification by the Centralising Unit, duly authorized for the purposes hereof, to the Purchaser of this accession in the form set out in SCHEDULE 8.

In addition, the Parties hereby acknowledge and agree that Goodyear Dunlop Tires Germany GmbH shall accede to this Agreement as New Seller by operation of law upon implementation of the Final Structure and shall henceforth be a German Seller hereunder without any notification, accession agreement or other additional agreement among any of the Parties. The Centralising Unit shall provide to the other Parties a written notice specifying that the implementation of the Final Structure has occurred.

- 40.2** The accession of the New Seller shall take effect on the Settlement Date immediately following provided that the following conditions are met :
- (i) the New Seller is an entity in which GOODYEAR DUNLOP TIRES EUROPE BV holds directly or indirectly more than 50% of the share capital and voting rights and as such exercises effective control within the meaning of Article L.511-7.3 of the Monetary and Financial Code;
  - (ii) the receipt by the Purchaser from (a) the Centralising Unit of evidence of the necessary corporate authorisations to cause the accession of the New Seller to this Agreement and (b) the New Seller of all the documents referred to in Article 5 in order to enable the accession of the New Seller to this Agreement and the relevant Receivables Purchase Agreement;

- (iii) the receipt by the Purchaser of evidence that the existing Sellers are bound by the accession of the New Seller as a Seller under this Agreement and by the resulting amendments to the Securitisation Documents negotiated and executed on their behalf by the Centralising Unit in accordance with Article 35.2;
  - (iv) the receipt by the Purchaser, in a form satisfactory to the Purchaser, of all amendments required or necessary under the Transaction Documents in connection with the accession of the New Seller to this Agreement and the relevant Receivables Purchase Agreement, including the signature by the New Seller of any letter, document or amendment necessary, in the opinion of the Purchaser, to enable the New Seller to accede to the General Master Purchase Agreement and the Receivables Purchase Agreement in connection with the accession of the New Seller thereto;
  - (v) the prior written consent of the Liquidity Banks and, if necessary, the Rating Agencies.
- 40.3** Any reasonable and documented costs (including legal fees) and fees in connection with the accession of a New Seller as Seller incurred by the Issuer, the Purchaser or the Arranger shall be borne by such New Seller or the Centralising Unit acting in the name and on behalf of the New Seller.

## **CHAPTER XIII**

### **GOVERNING LAW — JURISDICTION**

#### **41. GOVERNING LAW — JURISDICTION**

**41.1** This Agreement shall be governed by French law.

**41.2** Any dispute as to the validity, interpretation, performance or any other matter arising out of this Agreement shall be subject to the jurisdiction of the competent courts of Paris (Cour d'appel de Paris). The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Originally made in Paris, on 10 December 2004, as amended on 23 May 2005, 26 August 2005 and 23 July 2008.

**SCHEDULE 1**  
**MASTER DEFINITIONS SCHEDULE**

**“Accounting Principles”** means generally accepted accounting principles (GAAP) in the United States or any other accounting principles which may be adopted by the Centralising Unit or any of the Sellers and which apply in their relevant jurisdiction.

**“Actual Collections”** means all cash collections actually received by any Seller in respect of the Sold Receivables.

**“Adjusted Collections”** means, in relation to all the Sellers and with respect to the Sold Receivables:

- (a) on the Initial Settlement Date, an amount equal to any Excess Foreseen Collections for such date;
- (b) on any Settlement Date (other than the Initial Settlement Date), as long as the Sellers act as collection agents in respect of any Sold Receivables and in relation to the Seller(s) acting as collection agents and for which an Assessment Report and a List of Purchasable Receivables have been provided pursuant Article 12.2.1 (vii):
  - (i) - any File Collections during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;
    - less any amount received on each of the Purchaser’s Collection Accounts (net of any debit made on such Purchaser’s Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on such Collection Account) by the debiting of such Collection Accounts during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;
    - less an amount equal to any Excess Foreseen Collections calculated with respect to the previous Settlement Date;
    - increased, if such Settlement Date is a Funded Settlement Date, by an amount equal to any Excess Foreseen Collections received in cash on the Purchaser’s Account on the previous Intermediary Settlement Date;
    - increased by an amount equal to any Excess Foreseen Collections for such Settlement Date;
    - less, if such Settlement Date is a Funded Settlement Date, the Cash Collections Advance calculated by the Calculation Agent on the Calculation Date preceding such Funded Settlement Date and to the extent paid by the Centralising Unit on the Purchaser’s Account; plus
  - (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2 during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;

- (c) on any Settlement Date other than the Initial Settlement Date during the Replenishment Period, as long as the Sellers act as collection agents in respect of any Sold Receivables and in relation to the Seller(s) acting as collection agents, and for which an Assessment Report and a List of Purchasable Receivables have not been provided pursuant Article 12.2.1 (vii):
- (i) - any Actual Collections during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;
    - less any amount received on each of the Purchaser's Collection Accounts (net of any debit made on such Purchaser's Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on such Collection Account) by the debiting of such Collection Accounts during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;
    - less an amount equal to any Excess Foreseen Collections calculated with respect to the previous Settlement Date;
    - increased, if such Settlement Date is a Funded Settlement Date, by an amount equal to any Excess Foreseen Collections received in cash on the Purchaser's Account on the previous Intermediary Settlement Date;
    - increased by an amount equal to any Excess Foreseen Collections for such Settlement Date;
    - less, if such Settlement Date is a Funded Settlement Date, the Cash Collections Advance calculated by the Calculation Agent for such Settlement Date and to the extent paid by the Centralising Unit on the Purchaser's Account; plus
  - (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2 during the period between the Assessment Date relating to the immediately preceding Settlement Date and the immediately preceding Assessment Date;
- (d) at any time, in the event of the termination of the collection mandate given to any Seller and in relation to the Sellers for which the collection mandate has been terminated and until the Program Expiry Date:
- (i) all cash collections received by the Purchaser which have actually been paid by the Debtors or by any other person obliged to make payment in respect of such Sold Receivables; plus
  - (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2; and
- (e) at any time after the Program Expiry Date, all cash collections received by the Purchaser which have actually been paid by the Debtors or by any other person obliged to make payment in respect of such Sold Receivables, increased by all Actual Collections kept by the Purchaser and which have actually been paid by the Sellers daily up to the preceding Assessment Date.

**"Affiliate"** means, in relation to any entity, any other entity, which either directly or indirectly controls, is controlled by, or is under common control with, such an entity:



- (i) for the purposes of those entities located within the French jurisdiction, the term “control”, shall have the meaning set out in Article L.233.3 of the French Commercial Code (*Code de commerce*); and
- (ii) for the purposes of those entities which are not located in France, the term control, shall mean the relationship between a parent company and a subsidiary as defined in Article 1 of Directive 83/349/EEC.

“**Agent**” means EUROFACTOR in its capacity as agent of the transaction.

“**Agent’s Account**” means the account number 30002/00869/9E/07, opened by the Agent in the books of CALYON.

“**Agreement**” means this general master purchase agreement, as amended and/or supplemented from time to time.

“**Amended Invoice**” means the sums corresponding to any Sold Receivable, which has been the subject of an issued invoice, and which, in order to (i) take into account the commercial practices of the Sellers and the respective Nominee Companies or (ii) amend any material errors appearing on such invoice, has been cancelled and replaced by a new invoice.

“**Amendment Date**” means 23 July 2008.

“**Amortisation Period**” means the period of time commencing on the Commitment Expiry Date and ending on the Program Expiry Date.

“**Annual Notice for Maximum Amount of the Purchaser’s Funding**” means the notice referred to in Article 7.1.

“**Applicable Lenders**” means the lenders or other providers of funding under the European Credit Facility.

“**Applicable Waiver or Amendment**” means a waiver concerning, or amendment of, any of the events set forth in Article 13.3(xv) (including the related definitions) and the corresponding provision and definitions of the European Credit Facility that is approved by any combination of the lenders under the European Credit Facility and the Liquidity Banks representing more than 50% of the aggregate amount of (i) all loans and unused commitments under the European Credit Facility plus (ii) commitments pursuant to Liquidity Agreements to provide the outstanding amount of the Purchaser’s Funding, in each case as of the date of such approval.

“**Assessment Date**” means each of the dates identified as such in SCHEDULE 11.

“**Assessment Report**” means the assessment report drawn up on each Information Date as of the preceding Assessment Date in accordance with Article 22, substantially in the form of SCHEDULE 3 or as modified by mutual agreement between the Centralising Unit, the Purchaser, and the Agent.

“**Assignment Costs**” means the amount calculated in accordance with SCHEDULE 18 — B of this Agreement.

“**Auditors Certificate**” means the certificate issued by any of the Sellers’ or the Nominee Companies’ statutory auditors for the benefit of the Purchaser, as set out in the form of SCHEDULE 4.

“**Available Funds**” means, on any date, and with regard to the Securitisation Transaction, any sums received by or on behalf of the Purchaser and required to be held by or on behalf of the Purchaser or paid to the Centralising Unit, the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV pursuant to

the Securitisation Transaction after the allocations of funds, and subject to the order of priority, provided for under Article 16.

**“Back-Up Servicer”** means any entity appointed by the Purchaser to replace or assist the Sellers in the collection and servicing of the Sold Receivables.

**“Back-Up Servicer Report”** means the assessment report to be drawn up, as the case may be, by the Back-Up Servicer on each Information Date.

**“Beginning of Month Purchase Date”** means the first Business Day of each calendar month during the Replenishment Period.

**“Bill of Exchange”** means (a) any negotiable instrument in the form of a bill of exchange (*lettre de change, effet de commerce, letra de cambio*) or promissory note (*billet à ordre, pagaré*) or (b) in the case of any UK Seller, a bill of exchange as defined in the Bills of Exchange Act 1882 or (c) in the case of any German Seller, any bills of exchange (*gezogene Wechsel*) issued by such German Seller (with full liability) and accepted by the relevant debtor and blank-endorsed by such German Seller at a place in Germany or promissory notes (*eigene Wechsel*) issued and accepted by the relevant debtor and blank-endorsed by such German Seller at a place in Germany (with full liability), *provided that* (i) any such bill of exchange has been issued pursuant to the German Bills of Exchange Act (as in effect on the relevant purchase date), and complies with all requirements as to form under the German Bills of Exchange Act (*formell ordnungsgemäßer Wechsel*) and is free of any corrections; (ii) the currency of the Bill of Exchange is Euro; and (iii) the Bill of Exchange is fully enforceable against the relevant debtor, freely transferable, and free from any liens or other rights of third parties, or their equivalent issued by a Seller in connection with any Remaining Purchasable Receivables.

**“BMA”** means each document referred to in point (J) of the Recital, which shall conform to the draft with which the Purchaser has been provided with on the Amendment Date or in a form satisfactory to it (but only with respect to any element which is reasonably likely to have an adverse effect on the rights of the Purchaser under the Securitisation Transaction) to the Purchaser, the Issuers and the Liquidity Banks, acting reasonably.

**“Business Day”** means any day other than a Saturday or a Sunday on which banks are open for business in Paris, Brussels, Madrid, Frankfurt, Rome, London, Jersey and New York and which is a TARGET Day.

**“Calculation Agent”** means CALYON.

**“Calculation Date”** means each of the dates identified as such in SCHEDULE 11 and on which, in particular, the Agent shall make the calculations specified in Article 12.3.

**“Calculation Letter”** means any letter substantially in the form of SCHEDULE 15, to be sent by the Agent in accordance with Article 12.3.1 (v).

**“CALYON”** means a French limited company (*société anonyme*) authorised as a credit institution (*établissement de crédit*) and having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Companies Registry of Nanterre (*Registre du Commerce et des Sociétés de Nanterre*) under the number 304 187 701.

**“Cash Collections Advance”** means an amount equal to the aggregate amount of the Assignment Costs, as defined in SCHEDULE 18 B.

**“Centralising Unit”** means DUNLOP TYRES LIMITED which shall act on behalf of the Sellers in relation to the implementation of the Securitisation Transaction.

“**Centralising Unit’s Account**” means the account number FR76 3148 9000 1000 2420 9337 647 opened by the Centralising Unit in the books of CALYON.

“**Closing Date**” means 10 December 2004.

“**Collection Account**” means any collection account opened in any of the jurisdictions concerned by the Securitisation Transaction held by any Seller and/or the Purchaser and which is governed by and/or subject to the relevant Collection Account Agreement.

“**Collection Account Agreement**” means any of the agreements to which, *inter alia*, the Purchaser and the relevant Seller are parties and relating to the collection of the Sold Receivables and the related security agreements over the balance of the relevant Collection Account governed by the respective laws of the jurisdiction in which such Collection Account is located (including any deeds of charge executed between *inter alia* the Purchaser and the UK Seller), as amended and restated from time to time.

“**Collections for Set-off**” means, with respect to any Seller and with respect to any Funded Settlement Date Reference Period, Intermediary Settlement Date Reference Period or Monthly Reference Period, the sum of the Actual Collections received by such Seller and of the Deemed Collections deemed to have been received by such Seller during such period.

“**Collection Mandate**” means the mandate granted by the Purchaser to each Seller pursuant to Article 21.1.

“**Collection Rating Trigger Event**” means the occurrence of any of the following events:

- the financial rating assigned by Moody’s Investor Services to GOODYEAR and known as the “LT Corp Family Rating” become B1 or lower;
- the financial rating assigned by Standard & Poor’s to GOODYEAR and known as the “LT Foreign Issuer Credit Rating” become B+ or lower.

“**Comfort Letter**” means any of the comfort letters granted by GOODYEAR DUNLOP TIRES EUROPE BV in the form set out in SCHEDULE 10.

“**Commercial Discount**” means, in relation to any Sold Receivable, any decrease in the face value of such receivable resulting from the granting of a discount for prompt payment, for quantity or as fidelity premium.

“**Commitment**” means the commitment of the Purchaser to purchase Ongoing Purchasable Receivables and Remaining Purchasable Receivables from the Sellers, in accordance with this Agreement and the Receivables Purchase Agreements, subject to the conditions precedent and conditions subsequent set forth hereunder and thereunder.

“**Commitment Expiry Date**” means the earliest of the following dates:

- (i) upon the occurrence of a Liquidity Commitment Non Renewal in relation to all Liquidity Agreements, the expiry of all Liquidity Agreements;
- (ii) the Business Day immediately preceding the seventh (7<sup>th</sup>) anniversary date of 31 July 2008; and
- (iii) the date on which the Commitment is terminated in accordance with Articles 7.1.2., 13, 14 and 15.

“**Complementary Deposit**” means any complementary deposit effected by the Centralising Unit with the Purchaser in accordance with the terms of Article 9 and the Master Complementary Deposit Agreement.

“**Complementary Deposit Fee**” means the fee contemplated under article 6.1 of the Master Complementary Deposit Agreement.

“**Conformity Warranties**” means the warranties given by each Seller to the Purchaser in accordance with Article 19 (*Conformity Warranties for Ongoing Purchasable Receivable and Remaining Purchasable Receivables*).

“**Credit Note**” means, in relation to any Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by any Seller or any Nominee Company in accordance with its management procedures, other than a Credit Note over Snow Tyres and a credit note resulting from Year End Rebates.

“**Credit Note over Snow Tyres**” means, in relation to any Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by any Seller or any Nominee Company (i) in accordance with its respective management procedures and (ii) to a customer subsequent to the taking back by the said Seller or any Nominee Company of snow tyres.

“**Current Account**” means the current account relationship established between the Centralising Unit, acting in the name and on behalf of the Sellers and the Purchaser pursuant to the provisions of Article 6 (*Current Account*).

“**Custodian**” means CALYON, acting in its capacity as Custodian (*dépositaire*) of the assets of the Fund within the meaning of Article L.214-48.II of the French Monetary and Financial Code (*Code monétaire et financier*).

“**Data Protection Trust Agreement**” means (i) the agreement dated on or about the Amendment Date entered into between the German Sellers, the Agent and the Data Protection Trustee or (ii) any substitute agreement to be entered into upon the occurrence of a Collection Rating Trigger Event pursuant to the terms of such Data Protection Trust Agreement, as amended or amended and restated from time to time.

“**Data Protection Trustee**” means Dr. Gustav Adolf Lange or any substitute appointed in accordance with the provisions of the Data Protection Trust Agreement.

“**Debtor**” means, in relation to any Sold Receivable or Refinanced Sold Receivable, the person obligated to make payment of the underlying trade receivable.

“**Deemed Collections**” means any amount that any Seller is deemed to have received in the circumstances set out in Article 28 (*Deemed Collections*), and notably any Deemed Extinguished Receivables.

“**Deemed Extinguished Receivables**” has the meaning set forth in Article 28 (*Deemed Collections*).

“**Default Percentage**” means on any Assessment Date preceding a Funded Settlement Date, the ratio expressed as a percentage of:

- (i) the sum of (a) the Outstanding Amount of Defaulted Receivables and Doubtful Receivables that were neither Defaulted Receivables nor Doubtful Receivables as of the Assessment Date relating to the preceding Funded Settlement Date and (b) the Outstanding Amount of Refinanced Defaulted Receivables and Refinanced Doubtful Receivables that were neither Refinanced Defaulted Receivables nor Refinanced Doubtful Receivables as of the Assessment Date relating to such preceding Funded Settlement Date; and

- (ii) the Outstanding Amount of the Sold Receivables and Refinanced Sold Receivables purchased by the Purchaser between the 6th Funded Settlement Date (excluded) preceding such Funded Settlement Date and the 5th Funded Settlement Date (included) preceding such Funded Settlement Date.

**“Defaulted Receivable”** means, on any Calculation Date, any Sold Receivable which, as of the preceding Assessment Date, is not a Doubtful Receivable transferred back to the Sellers and which has any of the following characteristics:

- (i) the Sold Receivable remains unpaid by its relevant debtor for more than 90 days after the Maturity Date of such Sold Receivable;
- (ii) the Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Sold Receivable has been or, under the relevant Seller’s credit and collection policies, would have been written off as uncollectible and has not been counted under paragraph (i) or (ii) above.

**“Deferred Purchase Price”** means the relevant amount determined in accordance with the formula set forth in schedule 3 of the French Receivables Purchase Agreement, in schedule 4 of the German Receivables Purchase Agreement, in schedule 3 of the UK Receivables Purchase Agreement, and in schedule 3 of the Spanish Receivables Purchase Agreement.

**“Delinquency Percentage”** means on any Assessment Date preceding a Funded Settlement Date, the ratio expressed as a percentage of:

- (i) the sum of (a) the Outstanding Amount of Delinquent Receivables and Doubtful Receivables that were neither Delinquent Receivables nor Doubtful Receivables as of the Assessment Date relating to the preceding Funded Settlement Date and (b) the Outstanding Amount of Refinanced Delinquent Receivables and Refinanced Doubtful Receivables that were neither Refinanced Delinquent Receivables nor Refinanced Doubtful Receivables as of the Assessment Date relating to the preceding Funded Settlement Date; and
- (ii) the Outstanding Amount of the Sold Receivables and Refinanced Sold Receivables purchased by the Purchaser between the 5th Funded Settlement Date (excluded) before such Funded Settlement Date and the 4th Funded Settlement Date (included) before such Funded Settlement Date.

**“Delinquent Receivable”** means, on any Assessment Date, any Sold Receivable which is not a Doubtful Receivable transferred back to the Sellers and which has any of the following characteristics:

- (i) the Sold Receivable remains unpaid by its relevant Debtor for more than 60 days after the Maturity Date of such Sold Receivable;
- (ii) the Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Sold Receivable has been or, under the relevant Seller’s credit and collection policies, would have been written off as uncollectible and has not been counted under paragraph (i) or (ii) above.

**“Deposit Fee”** means the fee due to CALYON, in the conditions set forth in article 8 of the Master Senior Deposit Agreement and which shall be paid by ESTER FINANCE to CALYON, or any credit institution which replaces the latter for the purposes of carrying out its functions under the Master Senior Deposit Agreement, as a remuneration for its undertaking to make the Senior Deposit on a periodic basis during the Replenishment Period. It is agreed that the Deposit Fee shall be paid to CALYON, or any other credit institution which replaces the latter for the purposes of carrying out its functions under the Master Senior Deposit Agreement, even after the transfer to the Fund of receivables in repayment of the Senior Deposit.

**“Depositor”** means CALYON acting in its capacity as depositor pursuant to the Master Senior Deposit Agreement and any successor, transferee or assignee.

**“Dilution Percentage”** means as calculated on any Calculation Date preceding a Funded Settlement Date, the ratio expressed as a percentage of:

- (i) the aggregate amount of Credit Notes and Refinanced Credit Notes issued between the Assessment Date (included) preceding such Funded Settlement Date and the Assessment Date (excluded) preceding the preceding Funded Settlement Date; and
- (ii) the Outstanding Amount of the Sold Receivables and Refinanced Sold Receivables purchased by the Purchaser between the Funded Settlement Date (excluded) before the last Assessment Date and the last Funded Settlement Date (included) preceding such last Assessment Date.

**“Discount Amount”** means the relevant amount determined in accordance with the formula set forth in schedule 2 of the French Receivables Purchase Agreement, in schedule 3 of the German Purchasable Receivables Agreement, in schedule 2 of the UK Receivables Purchase Agreement, and in schedule 2 of the Spanish Receivables Purchase Agreement.

**“Discount Rate”** has the meaning set forth in SCHEDULE 18 C.

**“Discount Reserve”** means the amount calculated in accordance with SCHEDULE 18 A.

**“Discount Reserve Rate”** means the amount calculated in accordance with schedule 1 of the Master Subordinated Deposit Agreement.

**“Distributed Amounts”** means, on any Settlement Date during the Amortisation Period, the sum of:

- the amount of Adjusted Collections as determined as of such date;
- the amount in the Purchaser’s Account as of the last Assessment Date, within the limit of the sums in the Purchaser’s Account on such Settlement Date;
- the amount in each Purchaser’s Collection Account (net of any debit made on such Purchaser’s Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding Collection Account) as of the last Assessment Date, within the limit of the sums in each Purchaser’s Collection Account on such Settlement Date;
- the amount of the Refinanced Received Net Amount, as calculated for such Settlement Date, in accordance with the provisions of the Refinanced Receivables Purchase Agreement; and
- any investment proceeds of the Actual Collections received by the Purchaser in accordance with Article 23.2 and not yet allocated in accordance with Article 16.

**“Doubtful Receivable”** means on any Assessment Date any Sold Receivable which is, according to the Accounting Principles, doubtful given the situation of the Debtor or open to challenge.

**“Downgrading Event”** means, in relation to a Liquidity Bank, the downgrading of its rating by a Rating Agency under A1 (for Moody’s Investors Services), P1 (for Standard & Poors) or F1 (for Fitch Ratings).

**“Early Amortisation Event”** means any of the events set out in Article 13 (*Early Amortisation*).

**“Eligible Debtor”** means a Debtor having the characteristics described in detail in article 8 of each Receivables Purchase Agreement.

**“Eligible Laws”** means in respect of receivables (i) assigned or transferred by GOODYEAR DUNLOP TIRES OE GmbH, Belgian law, English law, French law, German law, Italian law and Spanish law, (ii) assigned or transferred by each German Seller other than GOODYEAR DUNLOP TIRES OE GmbH, German law.

**“Eligible Receivable”** means any Sold Receivable which has the following characteristics on the Settlement Date during the Replenishment Period:

- (i) such Sold Receivable corresponds to a delivery of goods which has been made or to a service which has been performed and such Sold Receivable has been invoiced;
- (ii) the Maturity Date of such Sold Receivable is not later than 150 days after the Assessment Date preceding such Settlement Date;
- (iii) the Sold Receivable has not remained unpaid by the relevant Debtor for more than 72 days after the Maturity Date of such Sold Receivable;
- (iv) the debtor of such Sold Receivable has a V.A.T or a CMS identification number indicated in the electronic support attached to the relevant Transfer Deed delivered to the Purchaser in relation to such Sold Receivable and such Sold Receivable is identified on such electronic support in a manner which complies with the electronic exchange procedures agreed between the Agent, the Purchaser, the Centralising Unit and the Sellers; and
- (v) the Sold Receivable is not a Net Miscellaneous Receivable.

**“End of Month Cut-Off Date”** means the last calendar day of each calendar month.

**“ESTER FINANCE”** means ESTER FINANCE TITRISATION S.A., a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry of Nanterre under the number 414 886 226.

**“EURIBOR 1 month”** means the reference rate known as the *“European Inter-Bank Offered Rate”* in the form of the rate listed under the aegis of the European Banking Federation and published at approximately 11.00 am (Brussels time), by REUTERS (page EURIBOR01 or EURIBOR365 or whatever page that may be substituted therefore) for a one month period.

**“Euro”, “EUR” or “€”** means the currency of the participating Member States of the European Union in accordance with the definition given under Article 109-L-4 of the European Union Treaty and in Council Regulation (EC) n. 974/98 of May 3, 1998 on the introduction of the euro.

**“EUROFACTOR”** means a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 1-3 rue du Passeur de Boulogne Immeuble Bord de Seine, 92130 Issy Les Moulineaux, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 333 871 259.

**“European Credit Facility”** means the Amended and Restated Revolving Credit Agreement, dated as of 20 April 2007 as amended and restated, refinanced, replaced or otherwise modified from time to time, among GOODYEAR DUNLOP TIRES EUROPE BV, the other borrowers thereunder, the lenders thereunder, JPMorgan Europe Limited, as administrative agent, and the other parties thereto.

**“Event of Separation of Flows”** means any Early Amortisation Event and , in any case, the starting of the Amortisation Period.

**“Exchange Rate”** means, as determined on any Assessment Date, the rate of exchange of GBP for Euro, as it appears on the Internet site of the Banque de France.

**“Excess Foreseen Collections”** means, with respect to a Settlement Date as long as any sums remain due under the Senior Deposit, the excess of (a) the amount of Foreseen Collections Adjusted for such Settlement Date, over (b) the amount of the Complementary Deposit to be made on such Settlement Date. From the date on which any sums due under the Senior Deposit have been paid, or in the event an Early Amortisation Event described under Article 13.3 has occurred, the amount of Excess Foreseen Collections shall be equal to zero (0) as from such date or event.

**“Excluded Debtor”** means any debtor mentioned in the list set forth in SCHEDULE 14, as may be modified by mutual agreement between the Centralising Unit, the Purchaser and the Agent, in accordance with the provisions of Article 35.

**“File Collections”** means, with respect to any period, all collections (excluding Deemed Collections) on Sold Receivables which, on the basis of the information included in any Assessment Report and the electronic data file attached thereto, were expected to be received during such period by a Seller as calculated by the Agent on the basis of the Assessment Reports and the electronic support attached thereto.

**“Final Structure”** shall have the meaning ascribed to such term in point (J) of the Recital.

**“Financial Covenants”** means the financial covenants set forth in Article 13.3(xv) and the related definitions.

**“Financial Indebtedness”** means, in relation to any person:

- (i) any indebtedness for monies borrowed or raised by that person;
- (ii) any indebtedness (actual or contingent) of that person under any guarantee, security, indemnity or other commitment designed to protect any creditor against loss in respect of any Financial Indebtedness of any third party;
- (iii) any indebtedness under or in respect of any acceptance credit opened on behalf of that person;
- (iv) any indebtedness under any debenture, note, bond, certificate of deposit, cash certificate, bill of exchange, commercial paper or similar instrument on which that person is liable as drawer, acceptor, endorser, issuers or otherwise;
- (v) any indebtedness for money owing in respect of any interest rate swap or currency swap, such indebtedness to be measured on a marked-to-market basis at the relevant time and to include, vis-à-vis any particular counterparty, application of the relevant ISDA or FBF netting procedures; and
- (vi) any payment obligations under any lease entered into for the purpose of obtaining or raising finance.



**“First Notice for Maximum Amount of the Purchaser’s Funding”** means the notice referred to in Article 7.1.

**“Foreseen Collections”** means, as calculated on each Calculation Date by the Agent on the basis of the electronic data file received from the Centralising Unit on the preceding Information Date,

- (i) - all cash collections paid or expected to be paid as from the Assessment Date preceding such Calculation Date until the second Settlement Date following such Calculation Date by the Debtors under the Sold Receivables and the Refinanced Sold Receivables (including the Remaining Purchasable Receivable, in any, and the Refinanced Remaining Purchasable Receivables to be purchased on the following Settlement Date and excluding Net Miscellaneous Receivables and Refinanced Net Miscellaneous Receivables and excluding Defaulted Receivables and Refinanced Defaulted Receivables), on the basis of the contractual maturity date of such Sold Receivables and Refinanced Sold Receivables;
  - less, within the limit of the cash collections in relation to the Sold Receivables and the Refinanced Sold Receivables unpaid after their Maturity Date, the amount of Non Allocated Cash, the Refinanced Non Allocated Cash, non allocated Credit Notes and non allocated Refinanced Credit Notes with a maturity date until the second Settlement Date following such Calculation Date weighted by the ratio of:
    - (a) the sum of the Sold Receivables and Refinanced Sold Receivables remaining unpaid after their respective Maturity Dates minus the sum of Net Miscellaneous Receivables, Refinanced Net Miscellaneous Receivables, Defaulted Receivables and Refinanced Defaulted Receivables remaining unpaid after their respective Maturity Dates, over
    - (b) the sum of Sold Receivables and Refinanced Sold Receivables remaining unpaid after their respective Maturity Date minus the sum of Defaulted Receivables and Refinanced Defaulted Receivables;
  - (ii) weighted by the ratio of:
    - (a) the Senior Deposit, the Discount Reserve and the portion of the Subordinated Deposit covering the Senior Deposit and the Discount Reserve (computed as follows:  $\text{Subordinated Deposit} \times (\text{Senior Deposit} + \text{Discount Reserve}) / (\text{Senior Deposit} + \text{Discount Reserve} + \text{Complementary Deposit})$ ); over
    - (b) the sum of the Outstanding Amount of Sold Receivables and the Outstanding Amount of Refinanced Sold Receivables, as of the next Settlement Date;
  - (iii) weighted by the ratio of:
    - (a) the last audited theoretical average days of sales outstanding of accounts receivable of the Sellers and the Italian Seller (taken as a whole), used in the determination of the Subordinated Deposit; over
    - (b) the last audited actual days of sales outstanding of accounts receivable of the Sellers and the Italian Seller (taken as a whole);
- and
- (iv) weighted by a risk ratio equal to one (1) on the date hereof, it being provided that such ratio may be reduced upon the request of the Centralising Unit, subject to the prior written consent of the Purchaser, the Issuers and the Liquidity Banks.

**“Foreseen Collections Adjusted”** means, as calculated on each Calculation Date by the Agent, the amount of the Foreseen Collections less the aggregate daily invoicing originated by the Sellers, any Nominee Company and the Italian Seller with respect to the then Eligible Debtors, as determined by the Agent between the same dates as the one considered for the cash collections in point (i) of the definition of “Foreseen Collection”, but during the previous year.

**“Former Securitisation Transaction”** means, with respect to a Seller, any past securitisation transaction involving all or part of trade receivables of such Seller.

**“Free Equity Amount”** shall have the meaning as set forth in Section 3.6.3.

**“French Securitisation Transaction”** means the securitisation transaction arranged by CALYON (succeeding in the rights of CREDIT LYONNAIS) in connection with the transfer of all or part of trade receivables of GOODYEAR DUNLOP TIRES FRANCE S.A. to ESTER FINANCE on the basis of the French master receivables purchase agreement entered into by GOODYEAR DUNLOP TIRES FRANCE S.A., ESTER FINANCE, EUROFACTOR and CALYON (succeeding in the rights of CREDIT LYONNAIS) on 20 September 2001, as amended.

**“French Seller”** means GOODYEAR DUNLOP TIRES FRANCE S.A. or any New Seller that is organized under French law.

**“Fund”** means FCC Triple P, a *fonds commun de créances*, set up by the Management Company and CALYON (as depositary) in accordance with the provisions of Article L.214-47 of the French Monetary and Financial Code (*Code monétaire et financier*) for the purposes of the Securitisation Transaction.

**“Funded Assessment Date”** means each of the dates identified as such in SCHEDULE 11.

**“Funded Settlement Date”** means the Initial Settlement Date and each of the dates identified “Funded Settlement Date” on SCHEDULE 11 falling on or prior to the Program Expiry Date.

**“Funded Settlement Date Reference Period”** means, with respect to any Reference Funded Settlement Date before the Commitment Expiry Date, the period starting on the Intermediary Assessment Date (excluded) of the calendar month immediately following such Reference Funded Settlement Date and ending (i) on the following Funded Assessment Date (included) or (ii) if an Early Amortisation Event occurs before such Funded Assessment Date, on the date of such Early Amortisation Event.

**“GAAP”** means, in relation to any person, the generally accepted accounting principles in the jurisdiction in which such person is organized.

**“GBP”** means the currency which is legal tender in the United Kingdom at the present time, or any other currency that may replace it.

**“General Partner”** shall have the meaning set forth in Section 3.6.3 (b).

**“German Party”** and **“German Parties”** shall have the meaning set forth in Section 3.6.3 (b).

**“German Re-Organisation”** shall have the meaning ascribed to such term in point (J) of the Recital.

**“German Seller”** means each of FULDA REIFEN GmbH & Co. KG, GOODYEAR DUNLOP TIRES OE GmbH, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co. KG, GOODYEAR GmbH & Co. KG and DUNLOP GmbH & Co. KG, and any legal successor of any of such entities, including Goodyear Dunlop Tires Germany GmbH upon implementation of the Final Structure.

**“GmbH Party”** shall have the meaning set forth in Section 3.6.3 (a).

**“GmbH & Co. KG Party”** shall have the meaning set forth in Section 3.6.3 (b).

**“GOODYEAR”** means the parent company of the Goodyear Group, i.e. THE GOODYEAR TIRE & RUBBER COMPANY, a company incorporated under the laws of Ohio, having its registered office at 1144 East Market Street, Akron, Ohio, United States of America.

**“GOODYEAR Group”** means the group of entities comprised of GOODYEAR and its Affiliates.

**“GOODYEAR DUNLOP TIRES EUROPE BV”** means the Goodyear Dunlop Tires Europe B.V., parent company of the French, German, UK and Spanish Sellers, incorporated under the laws of the Netherlands, having its registered office at De Boelelaan 7, 1083 HJ, Amsterdam, The Netherlands, and registered with the Companies Registry of Amsterdam under the number 33225215.

**“Governmental Authorisation”** means any authorization given by any “Governmental Authority” as such term is defined in the European Credit Facility.

**“Group”** means, in relation to any Debtor, the group of entities comprised of this Debtor and its Affiliates.

**“Immobilisation Indemnity”** means any immobilisation indemnity paid by ESTER FINANCE to the Depositor in accordance with the Master Senior Deposit Agreement.

**“Increase in the Complementary Deposit”** means, on any Settlement Date during the Replenishment Period, the excess of (a) the amount of the Complementary Deposit on such Settlement Date in accordance with the Master Complementary Deposit Agreement over (b) the amount of the Complementary Deposit on the preceding Settlement Date.

**“Increase in the Subordinated Deposit”** means, on any Settlement Date during the Replenishment Period, the excess of (a) the amount of the Subordinated Deposit on such Settlement Date in accordance with the Master Subordinated Deposit Agreement over (b) the amount of the Subordinated Deposit on the preceding Settlement Date.

**“Information Date”** means each of the dates identified as such in SCHEDULE 11 and on which the Centralising Unit, acting in the name and on behalf of the Sellers, is required to transmit to the Agent the Assessment Report prepared as of the preceding Assessment Date, as well as the List of Purchasable Receivables.

**“Initial Purchase Price”** means, in relation to any Remaining Purchasable Receivable or Ongoing Purchasable Receivable acquired or to be acquired by the Purchaser in respect of each Seller, the Outstanding Amount of such Remaining Purchasable Receivable or Ongoing Purchasable Receivable less, in each case, the applicable Discount Amount.

**“Initial Settlement Date”** means 21<sup>st</sup> December 2004.

“**Insolvency Proceedings**” means:

- (i) in relation to any person being resident in France or having its principal place of business in France :
  - a reference to such person being unable to pay its debt as they fall due (*cessation des paiements*) or initiating voluntary arrangements with its creditors (*procédure de conciliation*) or being subject to insolvency proceedings opened by a competent court (*redressement ou liquidation judiciaire*), all of which as construed by Articles L.611-1 *et seq.* of the French Commercial Code or, as the case may be, by Articles L.620-1 *et seq.* of the French Commercial Code;
  - whenever any auditor of such person has declared an alert procedure (*procédure d’alerte*) within the meaning of Article 234-1 of the French Commercial Code;
- (ii) in relation to any person being resident in Germany or having its principal place of business in Germany, a reference to such person that is overindebted (*überschuldet*), unable to pay its debts as they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings;
- (iii) in relation to any person being resident in Spain or having the center of its interests in Spain, (hereinafter, the “**Spanish Resident**”):
  - the Spanish Resident is unable to pay its debts as they fall due, on regular basis, within the meaning of article 2 of the Spanish law 22/2003, dated July 9, 2003;
  - the Spanish Resident files an application with a court to be declared to be subject to creditors’ composition (*concurso*) within the meaning of the Spanish law 22/2003, dated July 9, 2003, or subject to any equivalent situation as provided by any law that could complement, replace or amend it;
  - a third party applies to a court for a declaration that the Spanish Resident is subject to creditors’ composition (*concurso*) within the meaning of the Spanish law 22/2003 and the court accepts to follow the creditors’ composition proceedings, or any other equivalent situation as provided by any other law that could complement, replace or amend them;
  - the Spanish Resident is subject to governmental or judicial administration in Spain (*intervención administrativa* or *administración judicial*);
  - any insolvency proceeding, as defined in Council Regulation (EC) No 1346/2000, of 29 May 2000 on Insolvency Proceedings is taken in any jurisdiction regarding the Spanish Resident;
- (iv) in relation to any person being resident in Italy or having the center of its interests in Italy, (hereinafter, the “**Italian Resident**”):
  - the Italian Resident is insolvent, being unable to fulfil its obligations regularly, namely in due time and with usual means, pursuant to article 5 of the Italian Bankruptcy Law (*insolvenza*);
  - the Italian Resident is declared bankrupt upon its own application or petition of the creditor/s or petition of the Public Prosecutor, pursuant to articles 6 *et seq.* of the Italian Bankruptcy Law (*fallimento*);

- the Italian Resident, being insolvent, files an application for arrangement with creditors with the competent judge, proposing an arrangement pursuant to articles 160 et seq. of the Italian Bankruptcy Law (*concordato preventivo e accordi di ristrutturazione*);
  - the Italian Resident is under Compulsory administrative liquidation pursuant to articles 194 et seq. of the Italian Bankruptcy Law (*liquidazione coatta amministrativa*);
  - the Italian Resident, being a large undertaking, is under extraordinary administration pursuant to Law 270/1999 (*amministrazione straordinaria*);
  - if and when applicable, the Italian Resident, being eligible for the extraordinary administration and meeting additional requirements set by law, is under reorganization pursuant to Legislative Decree no. 347 of 23 December 2003, as amended subsequently (*ristrutturazione industriale di grandi imprese in stato di insolvenza*);
  - any of the above insolvency proceeding is taken in any jurisdiction regarding the Italian Resident pursuant to Council Regulation (EC) no. 1346/2000 of 29 May 2000 on insolvency proceedings;
- (v) in relation to any person being resident in the Netherlands or having its principal place of business in the Netherlands, (hereinafter, the **“Dutch Resident”**), a reference to such person that is subject to any bankruptcy (*faillissement*), suspension of payments (*surséance van betaling*) or any other insolvency proceedings listed in Annex A of the Council Regulations (EC) No. 1346/2000 on Insolvency Proceedings or any other insolvency proceedings or analogous proceeding in each case opened by a competent court, including, but not limited to, emergency regulations (*“noodregeling”*) pursuant to Chapter 3.5 (*Bijzondere regels en maatregelen ten aanzien van financiële ondernemingen werkzaam op de financiële markten*) of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*), as amended.
- (vi) in relation to any person being resident in the United States or having its principal place of business in the United States:
- (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (x) liquidation, reorganization, bankruptcy, moratorium, suspension of payment or other relief in respect of such person or its debts, or of a substantial part of its assets, under any U.S. federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (y) the appointment of a receiver, trustee in bankruptcy, custodian, sequestrator, conservator or similar official for such person or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be entered;

- (b) such person (v) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization, bankruptcy, moratorium, suspension of payment or other relief under any U.S. federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (w) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in clause (a) of this section, (x) applies for or consents to the appointment of a receiver, trustee in bankruptcy, custodian, sequestrator, conservator or similar official for such person or for a substantial part of its assets, (y) makes a general assignment for the benefit of creditors or (z) takes any action for the purpose of effecting any of the foregoing;
- (c) such person admits in writing its inability or fails generally to pay its debts as they become due;
- (vii) in relation to Elixir Funding Limited, means a resolution is passed for the winding-up or dissolution of Elixir Funding Limited, or a liquidator is appointed in respect of Elixir Funding Limited or any of its assets, or there is a declaration of *en désastre* in respect of the property of Elixir Funding Limited or for the property of Elixir Funding Limited to be placed under the control of the Courts of Jersey, or Elixir becomes “bankrupt” as defined in the Interpretation (Jersey) Law 1954;
  - (i) in relation to Quasar, means any insolvency proceedings (*faillite/faillissement*), any amicable settlement proceedings (*concordat judiciaire/gerechtelijk akkoord*), any liquidation proceedings (*liquidation/vereffening*) or any other insolvency proceedings listed from time to time in Schedule A of the Council Regulations (EC) No.1346/2000 on Insolvency Proceedings is opened against such person;
  - (ii) in relation to any person resident in Belgium or having its centre of main interest in Belgium (as the term “centre of main interest” is defined in the Council Regulations (EC) No.1346/2000 on insolvency proceedings) any situation where:
    - a meeting of such person is convened for the purpose of considering any resolution for (or to petition for) its winding-up or any such resolution is passed or any person presents a petition for the winding-up (*liquidation/vereffening*), save where such person is in good faith contesting such petition by appropriate proceedings;
    - any court decision ordering the winding-up (*liquidation/vereffening*) of such person is taken;
    - any liquidateur (*liquidateur/vereffenaar*), trustee in bankruptcy (*curateur/curator*) is appointed in respect of such person or the directors of such person request such appointment (in each case, by reason of actual or anticipated financial difficulties);
    - such person is declared bankrupt (*en faillite/in staat van faillissement*) or such person applies for or is subject to insolvency proceedings (*faillite/faillissement*), any judicial composition between creditors (*concordat judiciaire/gerechtelijk akkoord*) or any other insolvency proceedings listed from time to time in Schedule A of the Council Regulations (EC) No.1346/2000 on Insolvency Proceedings;
- (viii) in relation to any person incorporated under the laws of England and Wales:

- such person stops payment or threatens to stop payment of its debts by reason of actual or anticipated financial difficulties, or is or becomes or is, or admits to be, or is deemed to be for the purpose of the Insolvency Act 1986, unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act 1986 or is otherwise unable to pay its debts as they fall due;
- a moratorium is declared in respect of any part of its indebtedness or it makes any general arrangement or composition for the benefit of its creditors;
- any step is taken or proceeding is instituted (unless frivolous or vexatious and dismissed or discharged within 30 days of being presented) by any competent person seeking (x) to adjudicate such person insolvent or bankrupt, (y) the liquidation, winding-up, dissolution, reorganisation (other than for the purpose of a voluntary solvent reorganisation or liquidation approved in writing by the relevant entity), arrangement, adjustment, re-scheduling (such rescheduling to be effected by reason of actual or anticipated financial difficulties), protection, relief or composition of such person or its debts or (z) the entry of an order for relief or the appointment of a receiver, administrative receiver, administrator, custodian, trustee in bankruptcy, examiner or other similar official of the person or a substantial part of its assets; or
- any meeting is convened by any creditor, shareholder, member or participant or any other corporate action is taken pursuant to which any of the preceding actions is proposed to be approved;

(ix) in relation to any other person, any similar provision applicable to it.

**“Intercompany Arrangements”** shall have the meaning set forth in Article 11.1. (xiv).

**“Intermediary Assessment Date”** means each of the dates identified as an “Intermediary Assessment Date” on SCHEDULE 11 falling on or prior to the Program Expiry Date.

**“Intermediary Settlement Date”** means each of the dates identified as an “Intermediary Settlement Date” on SCHEDULE 11 falling on or prior to the Program Expiry Date.

**“Intermediary Settlement Date Reference Period”** means, with respect to any Reference Funded Settlement Date before the Commitment Expiry Date, the period starting on the Funded Assessment Date (excluded) immediately following such Reference Funded Settlement Date and ending (i) on the next Intermediary Assessment Date (included) or (ii) if an Early Amortisation Event occurs before such Intermediary Assessment Date, on the date of such Early Amortisation Event.

**“Intermediate Structure”** shall have the meaning ascribed to such term in point (J) of the Recital.

“**Issuers**” means:

- (i) LMA S.A., a French limited company (*société anonyme*) having its registered office at 6-8, rue Ménars, 75002 Paris, France, registered with the Company Registry of Paris (*Registre du Commerce et des Sociétés de Paris*), under the number 383 275 187; or
- (ii) Elixir Funding Limited, a public company incorporated with limited liability under the laws of Jersey, having its registered office at St Paul’s Gate, New Street, Saint Hélier, Jersey, Channel islands JE2 34A, registered with the Companies Registry of Jersey under number 71548; or
- (iii) Quasar Securitisation Company NV, a Belgian company (*institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht, naamloze vennootschap*) with its registered office at Havenlaan 12, B-1080, Brussels, Belgium registered with the Company Registry of Brussels, under the number 475 526 860 (“**Quasar**”); or
- (iv) any other person who may enter the Securitisation Transaction from time to time in order to subscribe to units issued by the Fund and to finance such subscription by issuing Notes.

“**Italian Bankruptcy Law**” means the Italian Royal Decree No. 267 of 16<sup>th</sup> March, 1942, as amended and supplemented from time to time.

“**Italian Receivables Purchase Agreement**” means the Italian law governed receivables purchase agreement entered into on or about the Amendment Date between the Italian Seller and the Refinanced Seller for the purchase of the Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables originated by the Italian Seller.

“**Italian Seller**” means GOODYEAR DUNLOP TIRES Italia S.P.A. or any New Seller organized under Italian law and becoming a party to the Italian Receivables Purchase Agreement.

“**Joint-Lead Arranger**” means each of CALYON and NATIXIS, acting in its capacity as joint-lead arranger of the Securitisation Transaction.

“**Liens**” means, in respect to any asset, any mortgage, deed of trust, lien, delegation of claims, pledge, hypothecation, encumbrance, charge of security interest in, on or of such asset.

“**Liquidity Agreement**” means (i) any unit purchase agreement (*promesse d’achat et de revente de parts*) dated the Closing Date or dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank pursuant to which the Liquidity Bank has undertaken to purchase from such Issuer, all or part of the units of the Fund held by the Issuer, or (ii) any credit facility agreement dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank pursuant to which the Liquidity Bank has undertaken to make loans to an Issuer secured by such units, or (iii) a swap agreement, repurchase agreement or other financial instrument dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank, pursuant to which the Liquidity Bank has undertaken to make certain payments to an Issuer in relation to such units.

“**Liquidity Bank**” means a bank or any other credit institution (*établissement de crédit*) (or any successor, transferee and assignee thereof), in each case rated at least A1, P1 and/or F1 by the relevant Rating Agencies at the time when it enters into or renews its commitment under a Liquidity Agreement, that has undertaken to purchase from an Issuer, all or part of the units of the Fund held by such Issuer or to make loans to an Issuer secured by such units or otherwise to make payments to an Issuer in relation to such units.

“**Liquidity Bank Letter**” means, in relation to any Liquidity Bank, the letter executed by such Liquidity Bank on 10 December 2004 and on 23 May, 2005 and which relates to the commitment to



provide the Purchaser with an alternative funding, subject to the conditions provided in such letter, as may be amended or supplemented from time to time.

**“Liquidity Commitment Non Renewal”** means, in relation to any Liquidity Bank:

- (a) the non renewal of a Liquidity Agreement in any of the following cases:
  - (i) such Liquidity Agreement is not renewed at its expiry date, and the relevant Liquidity Bank has not been replaced with another bank that is rated at least A1, P1 and/or F1 by the relevant Rating Agencies;
  - (ii) (x) as a result of Market Disruption, a drawing is made under such Liquidity Agreement in order to acquire all or part of the units of the Fund, and (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement;
  - (iii) (x) as a result of a Downgrading Event, a drawing is made under such Liquidity Agreement in order to acquire all or part of the units of the Fund, (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement, and (z) the relevant Liquidity Bank has not been replaced with another bank that is rated at least A1, P1 and/or F1 by the relevant Rating Agencies; or
  - (iv) (x) a drawing is made under any Liquidity Agreement for any reason other than those listed above, (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement, and (z) the relevant Liquidity Bank has not been replaced with another bank that is rated at least A1, P1 and/or F1 by the relevant Rating Agencies; or
- (b) the expiry of the commitment of such Liquidity Bank under the relevant Liquidity Bank Letter.

**“List of Purchasable Receivables”** means any list of (i) Remaining Purchasable Receivables and Refinanced Remaining Purchasable Receivables, on each Assessment Date and (ii) Ongoing Purchasable Receivables and Refinanced Ongoing Purchasable Receivables title to which has passed and has transferred to the Purchaser between the two (2) last Assessment Dates, in the form agreed between the parties, to be provided by the Centralising Unit, acting in the name and on behalf of the Sellers, to the Purchaser.

**“Management Company”** means ABC Gestion, a limited company (*société anonyme*), authorised as a Management Company (*Société de Gestion*), in accordance with the provisions of Article L.247-47 of the *Code Monétaire et Financier*, having its registered office at 19, boulevard des Italiens — 75002 Paris, registered with the Trade and Companies Registry of Paris under the number 353 716 160.

**“Management Fee”** means the management fee set out in Article 10 (*Fees*).

**“Margin”** means the margin which aims to cover any administrative, financial and management costs incurred by ESTER FINANCE, equal to 0.01 % of the Maximum Amount of the Purchaser’s Funding per year, 1/12<sup>o</sup> of such amount being payable on each Funded Settlement Date.

**“Market Disruption”** means the occurrence of any event leading to any placement agent acting for an Issuer being unable to find investors to purchase whole or part of the Notes that would otherwise be issued by that Issuer.

**“Master Complementary Deposit Agreement”** means the agreement dated 23 July 2008, as amended and/or supplemented from time to time, entered into between the Purchaser and the Centralising Unit, under which the Centralising Unit shall effect a Complementary Deposit with the Purchaser.

**“Master Definitions Schedule”** means this master definitions schedule which determines the meaning of the terms and expressions used in the Transaction Documents.

**“Master Senior Deposit Agreement”** means the agreement dated 15 December 2004, as amended and/or supplemented from time to time, entered into between the Purchaser and the Depositor under which the Depositor has agreed to make a Senior Deposit with the Purchaser.

**“Master Subordinated Deposit Agreement”** means the agreement dated 23 July 2008, as amended and/or supplemented from time to time, entered into between the Purchaser and the Centralising Unit, under which the Centralising Unit shall effect a Subordinated Deposit with the Purchaser.

**“Material Adverse Effect”** means a material adverse change in or effect on (i) the ability of the Sellers and the Centralising Unit, taken as a whole, or of GOODYEAR DUNLOP TIRES EUROPE BV to perform their obligations under the Securitisation Documents that are material to the rights or interests of the Purchaser, the Refinanced Seller, the Depositor, the Issuers or the Liquidity Banks under the Securitisation Documents to which they are parties, (ii) the ability of the Purchaser to collect the amounts due under the Sold Receivables and/or Refinanced Sold Purchasable Receivables or the rights and interests of the Purchaser in the Sold Receivables, or (iii) the rights of or benefits available to the Purchaser, the Depositor, the Issuers or the Liquidity Banks under the Securitisation Documents that are material to the rights or interests of such parties thereunder including as a result of any material adverse change in or effect on the business, operations, properties, assets or financial condition (including as a result of the effects of any contingent liabilities) of GOODYEAR and its Subsidiaries (including the Sellers), taken as a whole.

**“Material Indebtedness”** means Financial Indebtedness of GOODYEAR and any of its subsidiaries in an aggregate principal amount exceeding USD 100,000,000 (or the equivalent in any other currency or currencies).

**“Maturity Date”** means, in relation to any Sold Receivable or Refinanced Sold Receivable, the date on which such Sold Receivable or Refinanced Sold Receivable becomes due and payable by the relevant debtor.

**“Material Subsidiary”** means, at any time, each subsidiary of GOODYEAR DUNLOP TIRES EUROPE BV other than subsidiaries that do not represent more than 5% for any such individual subsidiary, or more than 10% in the aggregate for all such subsidiaries, of either (a) the consolidated total assets of GOODYEAR and its subsidiaries or (b) the consolidated revenues of GOODYEAR and its subsidiaries for the period of four (4) fiscal quarters most recently ended, in each case determined in accordance with US GAAP.

**“Maximum Amount of the Complementary Deposit”** means an amount equal to €950,000,000 on the date hereof, as this amount may be modified from time to time by the parties to the Master Complementary Deposit Agreement in accordance with the terms of the Master Complementary Deposit Agreement.

**“Maximum Amount of the Program”** means an amount equal to €450,000,000, or any other amount as determined pursuant to Article 7.1.3.

**“Maximum Amount of the Purchaser’s Funding”** means the amount set out in Article 7.1.

**“Maximum Concentration Rate”** means :

- 10 %, in relation to the Debtors of the Renault Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody’s and Standard & Poor’s, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody’s and Standard & Poor’s;
- 10 %, in relation to the Debtors of the Peugeot Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody’s and Standard & Poor’s, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody’s and Standard & Poor’s;
- 10 %, in relation to the Debtors of the Michelin Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody’s and Standard & Poor’s, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody’s and Standard & Poor’s; or
- 4 %, in relation to any other Debtor and to any Debtors of a Debtor Group named above which does not maintain the ratings specified above as a condition to a higher Maximum Concentration Rate.

**“Maximum Overcollateralisation Rate”** means, as of the Initial Settlement Date and on each Funded Settlement Date thereafter, the rate equal to 50 %. Such rate may be modified provided that there has been an amendment to the Master Subordinated Deposit Agreement.

**“Minimum Amount of the Program”** means, on the date hereof, the amount of € 45,000,000, as may be amended from time to time pursuant to the provisions of the Agreement.

**“Miscellaneous Accounting Credit Entries”** means, in relation to any Seller, Miscellaneous Accounting Entries booked on the credit side of the account receivables of an Eligible Debtor.

**“Miscellaneous Accounting Debit Entries”** means, in relation to any Seller, Miscellaneous Accounting Entries booked on the debit side of the account receivables of an Eligible Debtor.

**“Miscellaneous Accounting Entries”** means, in relation to any Seller, accounting entries other than invoices, credit notes or cash payments that appear on the debit side or credit side of the account receivables of an Eligible Debtor.

**“Monthly Reference Period”** means the period starting on the first calendar day of each calendar month (included) and ending (i) on the End of Month Cut-Off Date of such month (included) or (ii) if an Early Amortisation Event occurs before the End of Month Cut-Off Date of such month, on the date of such Early Amortisation Event.

**“New Seller”** means a company controlled, directly or indirectly, by Goodyear Dunlop Tires Europe B.V. and which becomes a party to the Securitisation Transaction after the Amendment Date.

**“Net Available Amount”** means, with respect to any Settlement Date, the excess of (i) the sum of the Requested Amount of the Purchaser’s Funding, the amount of the Subordinated Deposit, the Maximum Amount of the Complementary Deposit and the Discount Reserve over (ii) the Outstanding Amount of Sold Receivables and Refinanced Sold Receivables.

**“Net Miscellaneous Receivable”** means, in relation to any Seller, any Ongoing Purchasable Receivable or Remaining Purchasable Receivable corresponding to the amount equal to the Miscellaneous Accounting Debit Entries minus Miscellaneous Accounting Credit Entries.

**“Nominee Company”** shall have the meaning ascribed to such term in point (J) of the Recital.

**“Non Allocated Cash”** means any collection recorded in any Seller’s accounting system, which has not yet been posted to the payment of a receivable.

**“Notes”** means any US commercial paper, *Billets de Trésorerie* or any other short-term notes such as a Euro commercial paper.

**“Notice of Transfer”** means any notice issued by the Purchaser or any entity, acting on behalf of the Purchaser and appointed by the same for such purpose, to any Debtor in accordance with a Receivables Purchase Agreement.

**“Ongoing Purchasable Receivable”** means, with respect to any Funded Settlement Date and any Seller, a right to a payment owed to such Seller which shall be originated during the immediately following Monthly Reference Period and which upon such origination shall have the following characteristics:

- (a) the receivable shall be binding against the relevant Eligible Debtor and result from the manufacturing and/or supplying of tyres and/or activities related thereto in the normal course of such Seller’s (including any related Nominee Company’s) business; and
- (b) the receivable shall be payable in the Relevant Jurisdiction and denominated in the Relevant Currency.

**“Originated Ongoing Purchasable Receivable”** means (i) on any Settlement Date, an Ongoing Purchasable Receivable sold on a preceding Funded Settlement Date and title to which has passed to the Purchaser on or before the Assessment Date preceding such Settlement Date and (ii) more generally, an Ongoing Purchasable Receivable sold on any Funded Settlement Date and title to which has passed to the Purchaser.

**“Originated Refinanced Ongoing Purchasable Receivables”** means, on any Settlement Date, an Refinanced Ongoing Purchasable Receivable sold on a preceding Beginning of Month Settlement Date and title to which has passed to the Purchaser on or before the Assessment Date preceding such Settlement Date.

**“Outstanding Amount”** means, at all times:

- (i) in relation to any Ongoing Purchasable Receivables, title to which has passed and which has been transferred to the Purchaser the aggregate principal amount remaining due in respect of such Ongoing Purchasable Receivables;
- (ii) in relation to any Eligible Receivables, the aggregate principal amount remaining due in respect of such Eligible Receivables;
- (iii) in relation to any Defaulted Receivables, the aggregate principal amount remaining due in respect of such Defaulted Receivables;
- (iv) in relation to any Delinquent Receivables, the aggregate principal amount remaining due in respect of such Delinquent Receivables;
- (v) in relation to any Doubtful Receivables, the aggregate principal amount remaining due in respect of such Doubtful Receivables;

- (vi) in relation to any Sold Receivables, the aggregate principal amount remaining due in respect of such Sold Receivables;
- (vii) in relation to any Net Miscellaneous Receivables, the aggregate principal amount remaining due in respect of such Net Miscellaneous Receivables;
- (viii) in relation to any Refinanced Eligible Receivables, the aggregate principal amount remaining due in respect of such Refinanced Eligible Receivables;
- (ix) in relation to any Refinanced Defaulted Receivables, the aggregate principal amount remaining due in respect of such Refinanced Defaulted Receivables;
- (x) in relation to any Refinanced Doubtful Receivables, the aggregate principal amount remaining due in respect of such Refinanced Doubtful Receivables;
- (xi) in relation to any Refinanced Sold Receivables, the aggregate principal amount remaining due in respect of such Refinanced Sold Receivables;
- (xii) in relation to any Originated Ongoing Purchasable Receivables, the aggregate principal amount remaining due in respect of such Originated Ongoing Purchasable Receivables;
- (xiii) in relation to any Originated Refinanced Ongoing Purchasable Receivables, the aggregate principal amount remaining due in respect of such Originated Refinanced Ongoing Purchasable Receivables;
- (xiv) in relation to any Remaining Purchasable Receivables, the aggregate principal amount remaining due in respect of such Remaining Purchasable Receivables;
- (xv) in relation to any Refinanced Remaining Purchasable Receivables, the aggregate principal amount remaining due in respect of such Refinanced Remaining Purchasable Receivables;
- (xvi) in relation to any Refinanced Ongoing Purchasable Receivables, the aggregate principal amount remaining due in respect of such Refinanced Ongoing Purchasable Receivables;

provided that, if any amount so determined pursuant to the foregoing provisions is denominated in GBP, such amount shall be converted into Euro at the Exchange Rate.

The parties acknowledge that the Outstanding Amount of any receivables means the total net amount of such receivables (including all taxes less any credit notes issued, set-off, partial payments and other written off debts, as calculated by the Agent on the basis of the Assessment Reports and the electronic supports attached thereto).

“**Overcollateralisation Rate**” means, on each Calculation Date preceding the Initial Settlement Date or a Funded Settlement Date during the Replenishment Period, the rate determined in accordance with the provisions of Schedule 1 of the Master Subordinated Deposit Agreement. The Overcollateralisation Rate shall be calculated by the Agent on each Calculation Date preceding a Funded Settlement Date and shall apply with respect to the two next Settlement Dates.

“**Parties**” means the parties to this Agreement.

“**Payment**” means any payment to be made by the Purchaser to the Centralising Unit, in accordance with article 4.1 of the relevant Receivables Purchase Agreement.

“**Performance Letter**” means the performance letters granted by GOODYEAR DUNLOP TIRES EUROPE BV in the forms set out in SCHEDULE 10.

“**Potential Early Amortisation Event**” means any event or condition which, but for the giving of any notice or the lapse of any time period or both required for an Early Amortisation Event to occur under Article 13, would constitute an Early Amortisation Event.

“**Priority Amount**” has the meaning set forth in Article 16.2.

**“Program Expiry Date”** means, in relation to any Seller and the Centralising Unit, the earlier of the following dates:

- (i) the Business Day, on or after the Commitment Expiry Date, on which all sums due to the Purchaser under this Agreement and the relevant Receivables Purchase Agreement have been fully paid; or
- (ii) the first Funded Settlement Date (included) falling on or after twelve (12) calendar months after the Commitment Expiry Date.

**“Protected Debtor”** means any Debtor in respect of one or more Sold Receivable(s) which is either (a) an individual such as in Germany an individual merchant (*Kaufmann*) or (b) a partnership (*Personengesellschaft*) in the form of *Offene Handelsgesellschaft (OHG)*, *Gesellschaft bürgerlichen Rechts (GbR)* or *Kommanditgesellschaft (KG)* or any equivalent foreign partnership, unless in each case all of the general, unlimited partners are legal entities.

**“Purchaser”** means ESTER FINANCE.

**“Purchaser’s Account”** means the account number 31 489 10 239912428 (47), opened by the Purchaser in the books of CALYON.

**“Purchaser’s Collection Account”** means any of the bank account opened in the name of the Purchaser, as mentioned in the Collection Account Agreements.

**“Purchaser’s Funding”** means that portion of the Outstanding Amount of Eligible Receivables which is funded by the Purchaser out of the Senior Deposit, the amount of which is determined in accordance with Article 7 (*Amount of the Purchaser’s Funding*).

**“Purchaser’s Termination Notice”** means any notice issued by the Purchaser to the Centralising Unit in the circumstances set out in Article 13.2 or 13.4.

**“Rating Agencies”** means Fitch Ratings, Moody’s Investors Services and Standard & Poors, or any other entity to which such agencies may transfer their credit rating business or with which they may consolidate, amalgamate or merge.

**“Receivables Purchase Agreements”** means the receivables purchase agreements entered into between the Sellers, the Purchaser and the Agent for the purchase of the Ongoing Purchasable Receivables and Remaining Purchasable Receivables under the Securitisation Transaction, as amended or amended and restated for time to time, and more specifically:

- (i) a Receivables Purchase Agreement governed by French law entered into by the French Seller in respect of its Ongoing Purchasable Receivables and Remaining Purchasable Receivables;
- (ii) a Receivables Purchase Agreement entered into by the German Sellers in respect of their Ongoing Purchasable Receivables and Remaining Purchasable Receivables;
- (iii) a Receivables Purchase Agreement governed by English law entered into by the UK Seller in respect of its Ongoing Purchasable Receivables and Remaining Purchasable Receivables;
- (iv) a Receivables Purchase Agreement governed by French law entered into by the Spanish Seller in respect of its Ongoing Purchasable Receivables and Remaining Purchasable Receivables.

**“Reduction of the Complementary Deposit”** means on any Settlement Date during the Replenishment Period, the excess, if any, of (a) the amount of the Complementary Deposit on the preceding Settlement Date over (b) the amount of the Complementary Deposit on such Settlement Date in accordance with the Master Complementary Deposit Agreement.

**“Reduction of the Subordinated Deposit”** means on any Settlement Date during the Replenishment Period, the excess, if any, of (a) the amount of the Subordinated Deposit on the preceding Settlement Date over (b) the amount of the Subordinated Deposit on such Settlement Date in accordance with the Master Subordinated Deposit Agreement.

**“Reference Funded Settlement Date”** shall have the meaning ascribed to such term in article 4.1.4.2 of the French Receivables Purchase Agreement, in article 4.1.5.2 of the Spanish Receivables Purchase Agreement, in article 4.1.4.2 of the UK Receivables Purchase Agreement, or in article 4.1.6.2 of the German Receivables Purchase Agreement as applicable in each case for the purposes of such agreement.

**“Refinanced Adjusted Collections”** means, in relation to the Refinanced Seller and with respect to the Refinanced Sold Receivables:

- (a) on any Settlement Date, as long as the Italian Seller acts as collection agent in respect of any Refinanced Sold Receivables:
  - (i) any Refinanced File Collections from the Italian Seller between the Assessment Date relating to the preceding Settlement Date and the Assessment Date relating to such Settlement Date;
  - (ii) less any amount received on each Purchaser’s Collection Account (net of any debit made on such Purchaser’s Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding collection account) by the debiting of the Collection Accounts during the period between the last Assessment Date and the preceding Assessment Date;
  - (iii) plus all Refinanced Deemed Collections from the Italian Seller determined to have occurred in accordance with article 27.1 of the Italian Receivables Purchase Agreement during the period between the last Assessment Date and the preceding Assessment Date;
- (b) at any time, in the event of the termination of the collection mandate given to the Italian Seller and until the Program Expiry Date:
  - (i) all cash collections received by CALYON Milan which have actually been paid by the Debtors or by any other person obliged to make payment in respect of Refinanced Sold Receivables;
  - (ii) less any amount received on each Purchaser’s Collection Account (net of any debit made on such Purchaser’s Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding collection account) by the debiting of the Collection Accounts during the period between the last Assessment Date and the preceding Assessment Date;
  - (iii) plus all Refinanced Deemed Collections determined to have occurred in accordance with article 27 of the Italian Receivables Purchase Agreement; and
- (c) at any time after the Program Expiry Date, all cash collections received by CALYON Milan which have actually been paid by the Debtors or by any other person obliged to make payment in respect of Refinanced Sold Receivables.

**“Refinanced Credit Note”** means, in relation to any Refinanced Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by the Italian Seller in accordance with its management procedures, other than an Refinanced Credit Note over Snow Tyres and a credit note resulting from Refinanced Year End Rebates.

**“Refinanced Credit Note over Snow Tyres”** means, in relation to any Refinanced Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by the Italian Seller (i) in accordance with its management procedures and (ii) to a customer subsequent to the taking back by the Italian Seller of snow tyres.

**“Refinanced Deemed Collections”** means any amount that the Italian Seller is deemed to have received in the circumstances set out in article 27.1 of the Italian Receivables Purchase Agreement.

**“Refinanced Defaulted Receivable”** means, on any Calculation Date, any Refinanced Sold Receivable which, as of the preceding Assessment Date, is not a Refinanced Doubtful Receivable transferred back to the Refinanced Seller and which has any of the following characteristics on such Calculation Date:

- (i) the Refinanced Sold Receivable remains unpaid by its relevant debtor for more than 90 days after the Maturity Date of such Refinanced Sold Receivable;
- (ii) the Refinanced Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Refinanced Sold Receivable has been or, under the Italian Seller’s credit and collection policies, would have been written off as uncollectible and has not been counted under paragraph (i) or (ii) above.

**“Refinanced Delinquent Receivable”** means, on any Assessment Date, any Refinanced Sold Receivable which is not a Refinanced Doubtful Receivable transferred back to the Refinanced Seller and has any of the following characteristics on such Calculation Date:

- (i) the Refinanced Sold Receivable remains unpaid by its relevant Debtor for more than 60 days after the Maturity Date of such Refinanced Sold Receivable;
- (ii) the Refinanced Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Refinanced Sold Receivable has been or, under the Italian Seller’s credit and collection policies, would have been written off as uncollectible and has not been counted under paragraphs (i) and (ii) above.

**“Refinanced Discount Amount”** means the meaning set forth in SCHEDULE 18 C

**“Refinanced Discount Rate”** means the meaning set forth in SCHEDULE 18 C.

**“Refinanced Doubtful Receivable”** means any Refinanced Sold Receivable which is, according to the Accounting Principles, doubtful given the situation of the Debtor or open to challenge.

**“Refinanced Due Net Amount”** means, on any Settlement Date, the amount of the Refinanced Initial Purchase Price, minus the Refinanced Adjusted Collection, plus the Refinanced Deferred Purchase Price and minus any fees due by the Refinanced Seller on such date.

**“Refinanced Eligible Debtor”** means a Debtor having the characteristics described in detail in article 14 of the Italian Receivables Purchase Agreement.



**“Refinanced Eligible Receivable”** means any Refinanced Sold Receivable which has the following characteristics on the Settlement Date during the Replenishment Period:

- (i) such Refinanced Sold Receivable corresponds to a delivery of goods which has been made or to a service which has been performed and such Refinanced Sold Receivable has been invoiced;
- (ii) the Maturity Date of such Refinanced Sold Receivable is not later than 150 days after the Assessment Date preceding such Settlement Date;
- (iii) the Refinanced Sold Receivable has not remained unpaid by the relevant Debtor for more than 72 days after the Maturity Date of such Refinanced Sold Receivable;
- (iv) the debtor of such Refinanced Sold Receivable has a V.A.T or a CMS identification number indicated in the electronic support attached to the relevant Transfer Deed delivered to the Purchaser in relation to such Refinanced Sold Receivable and such Refinanced Sold Receivable is identified on such electronic support in a manner which complies with the electronic exchange procedures agreed between the Agent, the Purchaser, the Centralising Unit and the Sellers; and
- (v) the Refinanced Sold Receivable is not a Refinanced Net Miscellaneous Receivable.

**“Refinanced File Collections”** means, with respect to any period, all collections (excluding Refinanced Deemed Collections) on Refinanced Sold Receivables which, on the basis of the information included in any Assessment Report and the electronic data file attached thereto, were expected to be received during such period by the Italian Seller as calculated by the Agent on the basis of the Assessment Reports and the electronic support attached thereto.

**“Refinanced Initial Purchase Price”** means, in relation to any Refinanced Remaining Purchasable Receivable or Refinanced Ongoing Purchasable Receivable to be acquired by the Purchaser during the Replenishment Period, the Outstanding Amount of such Refinanced Remaining Purchasable Receivable or Refinanced Ongoing Purchasable Receivable less, in each case, the applicable Refinanced Discount Amount.

**“Refinanced Miscellaneous Accounting Credit Entries”** means, in relation to the Italian Seller, Refinanced Miscellaneous Accounting Entries booked on the credit side of the account receivables of an Eligible Debtor.

**“Refinanced Miscellaneous Accounting Debit Entries”** means, in relation to the Italian Seller, Refinanced Miscellaneous Accounting Entries booked on the debit side of the account receivables of an Eligible Debtor.

**“Refinanced Miscellaneous Accounting Entries”** means, in relation to the Italian Seller, accounting entries other than invoices, credit notes or cash payments that appear on the debit side or credit side of the account receivables of an Eligible Debtor.

**“Refinanced Net Miscellaneous Receivable”** means, in relation to the Italian Seller, any Refinanced Remaining Purchasable Receivable or Refinanced Ongoing Purchasable Receivable corresponding to the amount equal to the Refinanced Miscellaneous Accounting Debit Entries minus Refinanced Miscellaneous Accounting Credit Entries.

**“Refinanced Remaining Purchasable Receivable”** means, with respect to any Funded Settlement Date and the Refinanced Seller, an existing right to a payment which has not previously been sold as a Refinanced Ongoing Purchasable Receivable and which is owed to and owned by the Italian Seller on the Assessment Date preceding such Funded Settlement Date and has the following characteristics:

- (a) (x) the receivable is binding against the relevant Refinanced Eligible Debtor and results from the manufacturing and/or supplying of tyres and/or activities related thereto in the normal course of the Italian Seller's business and (y) the receivable is payable in Italy and denominated in Euro; or
- (b) to the extent not covered in (a) above, the receivable is a Refinanced Net Miscellaneous Receivable recorded as being held over a Refinanced Eligible Debtor.

**"Refinanced Ongoing Purchasable Receivable"** means, with respect to any Funded Settlement Date and the Refinanced Seller, a right to a payment owed to the Italian Seller which shall be originated during the immediately following Monthly Reference Period and which shall have the following characteristics:

- (a) the receivable shall be binding against the relevant Refinanced Eligible Debtor and result from the manufacturing and/or supplying of tyres and/or activities related thereto in the normal course of the Italian Seller's business; and
- (b) the receivable shall be payable in Italy and denominated in Euro.

**"Refinanced Non Allocated Cash"** means any collection recorded in the Italian Seller's accounting system, which has not yet been posted to the payment of a receivable.

**"Refinanced Receivables Purchase Agreement"** means the Italian law governed receivables purchase agreement entered into on or about the Amendment Date between the Refinanced Seller, the Purchaser and the Agent for the purchase of the Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables.

**"Refinanced Received Net Amount"** means the amount of the Refinanced Adjusted Collections, plus the Refinanced Deferred Purchase Price and minus any Refinanced Initial Purchase Price due and not yet paid.

**"Refinanced Seller"** means CALYON (Milan branch), acting under the Refinanced Receivables Purchase Agreement.

**"Refinanced Sold Receivable"** means, in relation to the Refinanced Seller, those Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables (i) which are existing and have been transferred from the Refinanced Seller to the Purchaser pursuant to the Refinanced Receivables Purchase Agreement, and (ii) which have not been repurchased from the Purchaser.

**"Refinanced Year End Rebates"** means deferred rebates granted by the Italian Seller at the end of each year (or according to any periodicity) to some of its customers according to the fulfillment of their purchase commitments. These Refinanced Year End Rebates may give rise to Refinanced Credit Notes issued by the Italian Seller or to invoices issued by the customers over the Italian Seller.

**"Registered Share Capital"** has the meaning set forth in Article 3.6.3.

**"Relevant Currency"** means (i) with respect to the Spanish Seller, the German Sellers (excluding GOODYEAR DUNLOP TIRES OE GmbH) and the French Seller, Euro; (ii) with respect to the UK Seller, GBP; and (iii) with respect to GOODYEAR DUNLOP TIRES OE GmbH: Euro or GBP.

**"Relevant Jurisdiction"** means (i) with respect to the French Seller, France; (ii) with respect to the German Sellers (excluding GOODYEAR DUNLOP TIRES OE GmbH): Germany; (iii) with respect to the UK Seller, England and Wales; (iv) with respect to the Spanish Seller, Spain (excluding the territories of Ceuta and Mellila); and (v) with respect to GOODYEAR DUNLOP TIRES OE GmbH: Germany, Belgium, Spain (excluding the territories of Ceuta and Mellila), Italy, France or England and Wales.

**“Remaining Purchasable Receivable”** means, with respect to any Funded Settlement Date and any Seller, an existing right to a payment which has not previously been sold as an Ongoing Purchasable Receivable and which is owed to and owned by such Seller on the Assessment Date preceding such Funded Settlement Date and has the following characteristics:

- (a) (x) the receivable is binding against the relevant Eligible Debtor and results from the manufacturing and/or supplying of tyres and/or activities related thereto in the normal course of such Seller’s (including any relevant Nominee Company’s) business and (y) the receivable is payable in the Relevant Jurisdiction and denominated in the Relevant Currency; or
- (b) to the extent not covered in (a) above, the receivable is a Net Miscellaneous Receivable recorded as being held over an Eligible Debtor.

**“Replenishment Period”** means the period of time commencing on the date hereof and ending on the Commitment Expiry Date during which the Purchaser undertakes to purchase Ongoing Purchasable Receivables and Remaining Purchasable Receivables on each Funded Settlement Date.

**“Requested Amount of the Purchaser’s Funding”** means, with respect to any Funded Settlement Date, the amount indicated as such by the Centralising Unit in the Assessment Report received on the Information Date preceding such Funded Settlement Date, it being provided that (i) the Requested Amount of the Purchaser’s Funding shall, at all times, not be higher than the applicable Maximum Amount of the Purchaser’s Funding and (ii) if no amount has been validly indicated as “Requested Amount of the Purchaser’s Funding” in the Assessment Report received on the Information Date preceding any Funded Settlement Date, the Requested Amount of the Purchaser’s Funding as for such Funded Settlement Date shall be equal to the applicable Maximum Amount of the Purchaser’s Funding.

**“Responsible Officer”** means the chief financial officer or treasurer of GOODYEAR or the Vice President, Finance or equivalent officer of GOODYEAR DUNLOP TIRES EUROPE BV. On the Amendment Date, the chief financial officer and the treasurer of GOODYEAR are, respectively, W. Mark Schmitz and Damon Audia and the Vice President, Finance of GOODYEAR DUNLOP TIRES EUROPE BV is Wolfgang Schiemichen. GOODYEAR DUNLOP TIRES EUROPE BV and GOODYEAR shall promptly update the name and contact details of such Responsible Officer.

**“Retransferred Receivable”** means any Doubtful Receivable sold back by the Purchaser to any Seller in accordance with the relevant provisions of the Receivables Purchase Agreement relating to such Seller.

**“RVM”** means RVM Reifen Vertriebsmanagement GmbH.

**“Securitisation Documents”** means the Transaction Documents, the Master Senior Deposit Agreement, the transfer and servicing agreement to be concluded with the Fund, the Fund regulations and any Liquidity Agreements, as may be amended and/or supplemented from time to time.

**“Securitisation Transaction”** means the securitisation transaction carried out pursuant to the Transaction Documents.

**“Sellers”** means, collectively, the French Seller, the German Sellers, the UK Seller and the Spanish Seller.

**“Senior Deposit”** means the deposits effected by the Depositor with the Purchaser in accordance with the terms of the Master Senior Deposit Agreement as amended on 23 May, 2005.

**“Settlement Date”** means a Funded Settlement Date or an Intermediary Settlement Date.

**“Sold Receivables”** means, in relation to any Seller, those Ongoing Purchasable Receivables and Remaining Purchasable Receivables (i) which are existing and have been transferred from such Seller to the Purchaser pursuant to the Receivables Purchase Agreement to which such Seller is a party, and (ii) which have not been repurchased from the Purchaser.

**“Solvency Certificate”** means any certificate issued by any of the Sellers, the Nominee Companies and Centralising Unit, in the form of SCHEDULE 5.

**“Spanish Seller”** means GOODYEAR DUNLOP TIRES España, S.A. or any New Seller that is existing under Spanish law.

**“Stand-By Fee”** means the management fee set out in Article 27.4.

**“Stand-By Servicer”** means any entity appointed by the Purchaser in accordance with Article 27.4.

**“Subordinated Deposit”** means any subordinated deposit effected by the Centralising Unit with the Purchaser in accordance with the terms of Article 8 and the Master Subordinated Deposit Agreement.

**“Subordinated Deposit Fee”** means the fee contemplated under article 6.1 of the Master Subordinated Deposit Agreement.

**“Subordinated Depositor”** means the Centralising Unit.

**“Subsidiary”** means with respect to an entity (the **“Parent”**) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which are consolidated with those of the Parent in the Parent’s consolidated statements in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the Parent or one or more subsidiaries of the Parent or by the Parent and one or more subsidiaries of the Parent.

**“TARGET Day”** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating.

**“Tax”** or **“Taxes”** means any taxes, levies, duties, imposts, assessments or other charges of whatsoever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**“Transaction Documents”** means this Agreement, the Master Subordinated Deposit Agreement, the Master Complementary Deposit Agreement, the Receivables Purchase Agreements, the Refinanced Receivables Purchase Agreement, the Collection Account Agreements, the Data Protection Trustee Agreement, the Comfort Letter and the Performance Letter, as may be amended and/or supplemented from time to time.

**“Transfer Deed”** means any *bordereau* or any form of transfer document identifying the Ongoing Purchasable Receivables and the Remaining Purchasable Receivable to be transferred, referred to in the relevant Receivables Purchase Agreement, which shall be issued by the relevant Seller or the Centralising Unit, acting in the name and on behalf of each Seller, on each Settlement Date during the Replenishment Period, in the form stipulated in the relevant Receivables Purchase Agreement.

**“UK Seller”** means GOODYEAR DUNLOP TYRES UK Ltd or any New Seller that is organized under the laws of England and Wales.

**“UK Receivables Purchase Agreement”** means the English law governed receivables purchase agreement entered into on or about the Amendment Date between the UK Seller, the Purchaser and the Agent for the purchase of the Ongoing Purchasable Receivables and Remaining Purchasable Receivables under the Securitisation Transaction.

**“USD”** or **“US Dollar”** refers to the lawful currency of the United States of America.

**“VAT”** means value added or similar tax imposed in any jurisdiction including penalties and interest in respect of a failure to pay or delay in payment of tax or to make returns or to comply with other formalities relating thereto.

**“VAT Credit”** has the meaning set forth in Article 14.2.

**“Year End Rebates”** means deferred rebates granted by any Seller or any Nominee Company at the end of each year (or according to any periodicity) to some of its customers according to the fulfillment of their purchase commitments. These Year End Rebates may give rise to Credit Notes issued by the Sellers or any Nominee Company or to invoices issued by the customers over the relevant Sellers or any Nominee Company.

**SCHEDULE 2**  
**CONDITIONS PRECEDENT TO THE COMMENCEMENT OF THIS AGREEMENT**

This Agreement shall not take effect unless and until the Purchaser, the Issuers and the Liquidity Banks have received, on the Closing Date:

- (i) the following documents from each Seller (excluding GOODYEAR DUNLOP TIRES OE GmbH) or German Party and have determined that the same are satisfactory in form and substance:
  - (a) a copy of (x) the current organisational documents of the Seller or German Party, and (y) any regulatory or governmental licence, authorisation, consent or approval necessary or advisable for the execution of and performance of its obligations under the Transaction Documents to which it is a party, certified to be true, complete and up-to-date by a duly authorised representative of the Seller or German Party;
  - (b) an extract:
    - in the case of the French Seller, from the Trade and Companies Registry (*Registre du Commerce et des Sociétés*);
    - in the case of the German Parties, from the Commercial Register of the local court (*Amtsgericht*) pertaining to it;
    - in the case of the Italian Seller, from the Companies Registry (*Registro delle imprese*) of the Chamber of Commerce of Rome (*Camera di Commercio di Roma*);
    - in the case of the Spanish Seller, from the Commercial Registry (*Registro Mercantil*) of Madrid;

in each case dating from less than thirty (30) days prior to the date hereof, certified up-to-date by a duly authorised representative of the Seller;
  - (c) a copy, certified true by a duly authorised representative of the Seller or German Party of:
    - its latest annual accounts on a consolidated and non consolidated basis (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, if any;
    - the report of its board of directors and statutory auditors relating thereto, if any; and
    - an extract of the minutes of the Seller's or German Party's shareholders' annual general meeting approving the said accounts;
  - (d) a certificate issued by a duly authorised representative of the Seller or German Party to the effect that, between the closing date of the accounts specified in paragraph (c) above and the date hereof, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial

situation, or which is reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party;

- (e) a certificate issued by a duly authorised representative of the Seller or German Party to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the Seller or German Party, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
- (f) a list of the names of those persons who would be authorised to execute and to act for the performance of its obligations under the Transaction Documents to which it is a party (with specimen signatures);
- (g) (x) a copy of any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party (notarised for the Spanish Seller); as regards the Italian Seller, notarised powers of attorney or notarised excerpts of board minutes are required solely in respect of the Italian Collection Accounts Agreement (pledge and mandate); and (y) all corporate authorisations that might be required in respect of the execution and performance of the Transaction Documents to which it is a party, certified to be true by a duly authorised representative of the Seller or German Party and in the case of the French Seller in accordance with the provisions of Articles L.225-35 and L.225-38 of the French Commercial Code (*Code de commerce*);
- (h) a Seller's or German Party's Auditors Certificate drawn up on the date hereof in accordance with the form set out in Schedule 4;
- (i) a Seller's or German Party's Solvency Certificate drawn up on the date hereof in the form of Schedule 5;
- (j) a legal opinion from the Seller's or German Party's legal counsel in the form of Schedule 6;
- (k) in the case of the Spanish Seller, (x) a notarised power of attorney in favour of the Centralising Unit in order to enable the latter to deliver and to execute the Transfer Deeds, to make and to receive payments and more generally to do all things and perform all acts incidental or reasonably necessary in connection with the Transaction Documents (including, without limitation, the giving or the receipt of instructions) in the name and on behalf of the Spanish Seller, (y) a notarised irrevocable power of attorney in favour and for the benefit of the Purchaser which may be sub-delegated, in order to enable the Purchaser to make effective the transfer of any security interest related to the Sold Receivables *vis-à-vis* the relevant debtor/guarantor and third parties, and (z) evidence that the Bank of Spain has duly delivered the required "*número de operación financiera*" (financial transaction number);
- (l) in the case of the Italian Seller, a notarised irrevocable power of attorney in favour and for the benefit of the Purchaser which may be sub-delegated, in order to enable the Purchaser to make effective the transfer of any security interest related to the Sold Receivables *vis-à-vis* the relevant debtor/guarantor and third parties;
- (m) an in-house legal opinion of the internal counsel of each Seller or German Party;
- (ii) the following documents from the Centralising Unit and has determined that the same are satisfactory in form and substance:

- (a) a copy of (i) the current articles of association of the Centralising Unit, and (ii) any regulatory or governmental licence, authorisation, consent or approval necessary or advisable for the execution of and performance of its obligations under the Transaction Documents to which the Centralising Unit is a party, certified to be true, complete and up-to-date by a duly authorised representative of the Centralising Unit;
- (b) an extract from the Chamber of Commerce (*kamer van koophandel*) dating from less than thirty (30) days prior to the date hereof, certified to be up-to-date by a duly authorised representative of the Centralising Unit;
- (c) a certificate issued by a duly authorised representative of the Centralising Unit to the effect that (i) from its incorporation, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial situation, or which is reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party and (ii) a certificate issued by a duly authorised representative of the Centralising Unit to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the Centralising Unit, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
- (d) a list of the names of those persons who would be authorised to execute and to act for the performance of its obligations under the Transaction Documents to which the Centralising Unit is a party (with specimen signatures), certified true by a duly authorised representative of the Centralising Unit;
- (e) a copy of any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party (notarised and apostilled pursuant to the Hague Convention, dated October 5, 1961 for the purposes of the execution of the Receivables Purchase Agreement to be entered into with the Spanish Seller) as well as all corporate authorisations that might be required in respect of the execution and performance of the Transaction Documents to which it is a party, certified true by a duly authorised representative of the Centralising Unit;
- (f) a legal opinion from the Centralising Unit's legal counsel in the form of Schedule 6;
- (g) the Centralising Unit's Solvency Certificate drawn up on the date hereof in the form of Schedule 5;
- (h) an in-house legal opinion of the Centralising Unit;
- (iii) copy of the legal opinions related to each of the Securitisation Documents in form and substance satisfactory to the Purchaser, the Issuers and the Liquidity Banks;
- (iv) an original copy of a letter executed by the Sellers and the other signatories thereto in relation to the limitation of recourse of creditors of Ester Finance Titrisation regarding the Goodyear Securitisation Transaction in form and substance satisfactory to Ester Finance Titrisation;
- (v) a Comfort Letter in the form of Schedule 10;
- (vi) a Performance Letter in the form of Schedule 10;
- (vii) a copy of the "*protocole d'accord relatif à la résiliation de la convention-cadre de cession de créances en date du 20 septembre 2001*" related to the French Securitisation Transaction.



**SCHEDULE 3**  
**FORM OF ASSESSMENT REPORT**

Intentionally omitted from this filing.

**SCHEDULE 4**  
**FORM OF SELLER'S AUDITORS CERTIFICATE**

Intentionally omitted from this filing.

**SCHEDULE 5**  
**FORM OF SELLER'S AND CENTRALISING UNIT'S SOLVENCY CERTIFICATE**

Intentionally omitted from this filing.

**SCHEDULE 6**  
**FORM OF THE SELLER'S AND THE CENTRALISING UNIT'S LEGAL COUNSEL OPINION**

Intentionally omitted from this filing.

**SCHEDULE 7**  
**LIST OF ADDRESSEES**

Intentionally omitted from this filing.

**SCHEDULE 8**  
**FORMS OF NOTIFICATION OF WITHDRAWAL OR ACCESSION OF ONE OR MORE SELLER(S)**

Intentionally omitted from this filing.

**SCHEDULE 9**  
**LIST OF SELLERS**

Intentionally omitted from this filing.

**SCHEDULE 10**  
**FORM OF COMFORT LETTER AND PERFORMANCE LETTER**

Intentionally omitted from this filing.



**SCHEDULE 11**  
**LIST OF CALENDAR DATES OF THE TRANSACTION**

Intentionally omitted from this filing.

**SCHEDULE 12**  
**REPORTING DOCUMENT RELATING TO THE SOLD RECEIVABLES (ARTICLE 12.3.3)**

Intentionally omitted from this filing.

**SCHEDULE 13**  
**CONFORMITY WARRANTIES FOR REMAINING PURCHASABLE RECEIVABLES**

Intentionally omitted from this filing.

**SCHEDULE 14**  
**LIST OF EXCLUDED DEBTORS**

Intentionally omitted from this filing.

**SCHEDULE 15**  
**FORM OF CALCULATION LETTER**

Intentionally omitted from this filing.

## SCHEDULE 16

### FINANCIAL COVENANTS DEFINITIONS

**“Administrative Agent”** means JPMEL, in its capacity as administrative agent for the Lenders under the Agreement, and its successors in such capacity.

**“Agreement”** means the Amended and Restated Revolving Credit Agreement, dated as of April 20, 2007, as amended from time to time, among the European J.V., the other borrowers thereunder, certain lenders, certain issuing banks, J.P. Morgan Europe Limited, as administrative agent, and JP Morgan Chase Bank, N.A., as collateral agent, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), refinanced, restructured or otherwise modified from time to time.

**“Attributable Debt”** means, with respect to any Sale/Leaseback Transaction that does not result in a Capitalized Lease Obligation, the present value (computed in accordance with GAAP) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease which is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of (i) the Attributable Debt determined assuming termination upon the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) and (ii) the Attributable Debt determined assuming no such termination.

**“Capitalised Lease Obligations”** means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP.

**“Capital Stock”** of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such entity.

**“Consolidated European J.V. EBITDA”** means, for any period, the Consolidated J.V. Net Income for such period, minus, to the extent included in calculating such Consolidated J.V. Net Income, foreign exchange currency gains for such period, and plus, without duplication, the following, to the extent deducted in calculating such Consolidated J.V. Net Income:

- (a) income tax expense of the European J.V. and the Consolidated Restricted J.V. Subsidiaries;
- (b) Consolidated J.V. Interest Expense;
- (c) depreciation expense of the European J.V. and the Consolidated Restricted J.V. Subsidiaries;
- (d) amortization expense of the European J.V. and the Consolidated Restricted J.V. Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period);
- (e) cash restructuring charges; provided that the aggregate amount of such cash restructuring charges incurred on or after the Effective Date that may be added

back in determining Consolidated European J.V. EBITDA pursuant to this clause (e) for all periods reported on during the term of this Agreement shall not exceed E65,000,000;

- (f) foreign exchange currency losses for such period; and
- (g) all other noncash charges of the European J.V. and the Consolidated Restricted J.V. Subsidiaries (excluding any such noncash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) less all non cash items of income of the European J.V. and the Consolidated Restricted J.V. Subsidiaries, in each case for such period (other than normal accruals in the ordinary course of business).

Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and noncash charges of, a Restricted J.V. Subsidiary shall be added to Consolidated J.V. Net Income to compute Consolidated European J.V. EBITDA only to the extent (and in the same proportion) that the net income of such Restricted J.V. Subsidiary was included in calculating Consolidated J.V. Net Income and only if (A) a corresponding amount would be permitted at the date of determination to be dividended to the European J.V. by such Restricted J.V. Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted J.V. Subsidiary or its shareholders or (B) in the case of any Foreign Restricted J.V. Subsidiary, a corresponding amount of cash is readily procurable by the European J.V. from such Foreign Restricted J.V. Subsidiary (as determined in good faith by a Financial Officer of the European J. V.) pursuant to intercompany loans, repurchases of Capital Stock or otherwise, provided that to the extent cash of such Foreign Restricted J.V. Subsidiary provided the basis for including the net income of such subsidiary in Consolidated J.V. Net Income pursuant to clause (c) of the definition of "Consolidated J.. Net Income", such cash shall not be taken into account for the purposes of determining readily procurable cash under this clause (B). Consolidated European J.V. EBITDA for any period of four consecutive fiscal quarters will be determined in Euros based upon the Exchange Rate in effect on the last day of the applicable period.

**"Consolidated J.V. Interest Expense"** means, for any period, the total interest expense of the European J.V. and the Consolidated Restricted J.V. Subsidiaries, plus, to the extent Incurred by the European J.V. and the Consolidated Restricted J.V. Subsidiaries in such period but not included in such interest expense, without duplication:

- (a) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction that does not result in a Capitalized Lease Obligation;
- (b) amortization of debt discount and debt issuance costs;
- (c) capitalized interest;
- (d) noncash interest expense;
- (e) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing,

- (f) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) the European J.V. or any Restricted J.V. Subsidiary and such Indebtedness is in default under its terms or any payment is actually made in respect of such Guarantee;
- (g) net payments made pursuant to Hedging Obligations (including amortization of fees);
- (h) dividends paid in cash or Disqualified Stock in respect of (A) all Preferred Stock of Restricted J.V. Subsidiaries and (B) all Disqualified Stock of the European J.V., in each case held by Persons other than the European J.V. or a Restricted J.V. Subsidiary;
- (i) interest Incurred in connection with investments in discontinued operations; and
- (j) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the European J.V.) in connection with Indebtedness Incurred by such plan or trust;

and less, to the extent included in such total interest expense, (A) any breakage costs of Hedging Obligations terminated in connection with the Incurrence of Indebtedness on the 2006 Indenture Closing Date and the application of the net proceeds therefrom and (B) the amortization during such period of capitalized financing costs; provided, however that for any financing consummated after the Effective Date, the aggregate amount of amortization relating to any such capitalized financing costs deducted in calculating Consolidated Interest Expense shall not exceed 5% of the aggregate amount of the financing giving rise to such capitalized financing costs.

**“Consolidated J.V. Net Income”** means for any period, the net income of the European J.V. and the Consolidated J.V. Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income:

- (a) any net income of any Person (other than the European J.V.) if such Person is not a Restricted J.V. Subsidiary, except that:
  - (1) subject to the limitations contained in clause (d) below, the European J.V.’s equity in the net income of any such Person for such period shall be included in such Consolidated J.V. Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the European J.V. or a Restricted J.V. Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted J.V. Subsidiary, to the limitations contained in clause (c) below);
  - (2) the European J.V.’s equity in a net loss of any such Person for such period shall be included in determining such Consolidated J.V. Net Income to the extent such loss has been funded with cash from the European J.V. or a Restricted J.V. Subsidiary;
- (b) any net income (or loss) of any Person acquired by the European J.V. or a J.V. Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;



- (c) any net income of any Restricted J.V. Subsidiary if such Restricted J.V. Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted J.V. Subsidiary, directly or indirectly, to the European J.V. (but, in the case of any Foreign Restricted J.V. Subsidiary, only to the extent cash equal to such net income (or a portions thereof) for such period is not readily procurable by the European J.V. from such Foreign Restricted J.V. Subsidiary (with the amount of cash readily procurable from such Foreign Restricted J.V. Subsidiary being determined in good faith by a Financial Officer of the European J.V.) pursuant to intercompany loans, repurchases of Capital Stock or otherwise), except that:
  - (1) subject to the limitations contained in clause (d) below, the European J.V.'s equity in the net income of any such Restricted J.V. Subsidiary for such period shall be included in such Consolidated J.V. Net Income up to the aggregate amount of cash actually distributed by such Restricted J.V. Subsidiary during such period to the European J.V. or another Restricted J.V. Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted J.V. Subsidiary, to the limitation contained in this clause); and
  - (2) the net loss of any such Restricted J.V. Subsidiary for such period shall not be excluded in determining such Consolidated J.V. Net Income;
- (d) any gain (or loss) realized upon the sale or other disposition of any asset of the European J.V. or the Consolidated J.V. Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;
- (e) any extraordinary gain or loss; and
- (f) the cumulative effect of a change in accounting principles.

**“Consolidated Net J.V. Indebtedness”** means, at any date (a) the sum for the European J.V. and its Consolidated Subsidiaries at such date, without duplication, of (i) all Indebtedness (other than obligations in respect of Swap Agreements) that is included on the European J.V.'s consolidated balance sheet, (ii) all Capitalized Lease Obligations, (iii) all synthetic lease financings and (iv) all Qualified Receivables Transactions, minus (b) the aggregate amount of cash and Temporary Cash Investments in excess of \$100,000,000 held at such time by the European J.V. and its Consolidated Subsidiaries, all determined in accordance with GAAP. For purposes of computing Consolidated Net J.V. Indebtedness, (A) the amount of any synthetic lease financing shall equal the amount that would be capitalized in respect of such lease if it were a Capitalized Lease Obligation, and (B) Indebtedness owing by the European J.V. or any of its Consolidated Subsidiaries to Goodyear or any of its Consolidated Subsidiaries shall be disregarded. Consolidated Net J.V. Indebtedness will be determined in Euros based upon the Exchange Rate in effect on the last day of the applicable period.

**“Consolidation”** means, in the case of Goodyear, unless the context otherwise requires, the consolidation of (1) in the case of Goodyear, the accounts of each of the Restricted Subsidiaries with those of Goodyear and (2) in the case of a Restricted Subsidiary the accounts of each Subsidiary of such Restricted Subsidiary that is a Restricted Subsidiary with those of such Restricted Subsidiary, in

each case in accordance with GAAP consistently applied; provided, however, that “**Consolidation**” will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of Goodyear or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. “Consolidation” means, in the case of the European J.V., unless the context otherwise requires, the consolidation of (1) in the case of the European J.V., the accounts of each of the Restricted J.V. Subsidiaries with those of the European J.V. and (2) in the case of a Restricted J.V. Subsidiary, the accounts of each Subsidiary of such Restricted J.V. Subsidiary that is a Restricted J.V. Subsidiary with those of such Restricted J.V. Subsidiary, in each case in accordance with GAAP consistently applied; provided, however, that “Consolidation” will not include consolidation of the accounts of any J.V. Subsidiary that is an Unrestricted Subsidiary, but the interest of the European J.V. or any Restricted J.V. Subsidiary in any such Unrestricted Subsidiary will be accounted for as an investment. The term “**Consolidated**” has a correlative meaning.

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligations or otherwise;
- (b) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock convertible or exchangeable solely at the option of Goodyear or a Restricted Subsidiary; provided, however, that any such conversion or exchange shall be deemed an Incurrence of Indebtedness or Disqualified Stock, as applicable); or
- (c) is redeemable at the option of the holder thereof, in whole or in part;

in the case of each of clauses (a), (b) and (c), on or prior to 180 days after the Maturity Date; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the first anniversary of the Maturity Date shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are not more favorable in any material respect to the holders of such Capital Stock than the provision of Section 4.06 and Section 4.08 of the 2006 Indenture; provided further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of Goodyear or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Goodyear in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“**European J.V.**” means Goodyear Dunlop Tires Europe B.V., a corporation organized under the laws of The Netherlands.

“**Exchange Rate**” means, on any day, with respect to US Dollars, Pounds Sterling or any other currency in relation to Euros, the rate at which such currency may be exchanged into Euros, as set forth at approximately 12:00 noon, London time, on such day on the Reuters World Currency Page for US Dollars, Pounds Sterling or such other currency, as applicable. In the event that any such rate does not appear on the applicable Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the European J.V. or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent, at or about 11:00 a.m., London time, on such date for the purchase of Euros for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the

European J.V., may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

**“Fair Market Value”** means, with respect to any asset or property, the price which could be negotiated in an arm’s-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction, as such price is, unless specified otherwise in this Agreement, determined in good faith by a Financial Officer of Goodyear or by the Board of Directors. Fair Market Value (other than of any asset with a public trading market) of any asset or property (or group of assets or property subject to an event giving rise to a requirement under this Agreement that “Fair Market Value” be determined) in excess of \$25,000,000 shall be determined by the Board of Directors or a duly authorized committee thereof.

**“GAAP”** means generally accepted accounting principles in the United States.

**“Goodyear”** means The Goodyear Tire & Rubber Company, an Ohio corporation.

**“Guarantee”** means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or
- (b) entered into for purposes of assuring in any other manner the oblige of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning. The term “Guarantor” shall mean any Person Guaranteeing any obligation.

**“Hedging Obligations”** of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement, or raw materials hedge agreement.

**“Incur”** means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term “Incurrence” when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

**“Indebtedness”** means, with respect to any Person on any date of determination, without duplication:

- (a) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (b) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bankers’ acceptance, bank guarantee or similar credit transaction (other than obligations with respect to letters of credit or bank guarantees securing obligations (other than obligations described in clauses (a), (b), and (c)) entered

into in the ordinary course of business of such Person to the extent such letters of credit or bank guarantees are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed not later than the tenth Business Day following payment on the letter of credit or bank guarantee);

- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;
- (e) all Capitalized Lease Obligations and all Attributable Debt of such Person;
- (f) the amount of all obligations of such Person with respect to the redemption, repayment, or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued and unpaid dividends);
- (g) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of:
  - (1) the Fair Market Value of such asset at such date of determination and
  - (2) the amount of such Indebtedness of such other Persons;
- (h) Hedging Obligations of such Person; and
- (i) All obligations of the type referred to in clauses (a) through (h) of other Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee.

Notwithstanding the foregoing, in connection with the purchase by Goodyear or any Restricted Subsidiary of any business, the term “Indebtedness” shall exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

“JPMEL” means J.P. Morgan Europe Limited.

“**Qualified Receivables Transaction**” means any transaction or series of transactions that may be entered into by Goodyear or any of its Subsidiaries pursuant to which Goodyear or any of its Subsidiaries may sell, convey or otherwise transfer to:

- (a) a Receivables Entity (in the case of a transfer by Goodyear or any of its Subsidiaries); or
- (b) any other Person (in the case of a transfer by a Receivables Entity);

or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of Goodyear or any of its Subsidiaries, and any assets related thereto, including without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided however, that the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by a Financial Officer of Goodyear); and provided further, however, that no such transaction or series of transactions shall be a Qualified Receivables Transaction if any of the accounts receivable subject thereto is or would absent such transaction or series of transactions otherwise be subject to a Lien securing any European Bank Indebtedness.

The grant of a security interest in any accounts receivable of Goodyear or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

**“Receivables Entity”** means a (a) Wholly Owned Subsidiary of Goodyear which is a Restricted Subsidiary and which is designated by the Board of Directors (as provided below) as a Receivables Entity or (b) another Person engaging in a Qualified Receivables Transaction with Goodyear which Person engages in the business of the financing of accounts receivable, and in either of clause (a) or (b):

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which
  - (A) is Guaranteed by Goodyear or any Subsidiary of Goodyear (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);
  - (B) is recourse to or obligates Goodyear or any Subsidiary of Goodyear in any way other than pursuant to Standard Securitization Undertakings; or
  - (C) subjects any property or asset of Goodyear or any Subsidiary of Goodyear, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) which is not an Affiliate of Goodyear or with which neither Goodyear nor any Subsidiary of Goodyear has any material contract, agreement, arrangement or understanding other than on terms which Goodyear reasonably believes to be no less favorable to Goodyear or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Goodyear; and
- (3) to which neither Goodyear nor any Subsidiary of Goodyear has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors shall be evidenced to the Administrative Agent of the Agreement by filing with the Administrative Agent of the Agreement a certified copy of the resolution of the Board of Directors giving effect to such designation and a certificate of a Financial Officer certifying that such designation complied with the foregoing conditions.

**“Restricted Subsidiary”** means any Subsidiary of Goodyear other than an Unrestricted Subsidiary.

**“Restricted J.V. Subsidiary”** means any J.V. Subsidiary that is a Restricted Subsidiary.

**“Sale/Leaseback Transactions”** means an arrangement relating to property, plant and equipment now owned or hereafter acquired by Goodyear or a Restricted Subsidiary whereby Goodyear or a Restricted Subsidiary transfers such property to a Person and Goodyear or such Restricted Subsidiary leases it from such Person other than (i) leases between Goodyear and a Restricted Subsidiary or between Restricted Subsidiaries or (ii) any such transaction entered into with respect to any property, plant and equipment or any improvements thereto at the time of, or within 180 days after, the acquisition or completion of construction of such property, plant and equipment or such improvements (or, if later, the commencement of commercial operation of any such property, plant and equipment), as the case may be, to finance the cost of such property, plant and equipment or such improvements, as the case may be.

**“Standard Securitization Undertakings”** means representations, warranties, covenants and indemnities entered into by Goodyear or any Subsidiary of Goodyear which, taken as a whole, are customary in an accounts receivable transaction.

**“Subsidiary”** means any subsidiary of Goodyear (other than Tire & Wheel Assemblies, Inc. at any time when not more than 50% of the Capital Stock or 50% of the voting power are, as of such date, owned or controlled by Goodyear).

**“Swap Agreements”** means any agreement in respect of any Hedging Obligations.

**“Temporary Cash Investments”** shall have the meaning as defined in the Agreement.

**“Unrestricted Subsidiary”** means:

- (a) any Subsidiary of Goodyear that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and
- (b) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of Goodyear (including any newly acquired or newly formed Subsidiary of Goodyear) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, Goodyear or any other Subsidiary of Goodyear that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either:

- (a) the Subsidiary to be so designated has total Consolidated assets of \$1,000 or less; or
- (b) if such Subsidiary has total Consolidated assets greater than \$1,000, then such designation would be permitted under Section 6.02 of the Agreement.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation:

- (a) (1) Goodyear could Incur \$1.00 of additional Indebtedness under Section 6.01(a) of the Agreement or (2) the Consolidated Coverage Ratio (as defined in the Agreement) for Goodyear and its Restricted Subsidiaries would be greater after giving effect to such designation than before such designation and

(b) no Default shall have occurred and be continuing.

Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Administrative Agent by promptly filing the Administrative Agent a copy of the resolution of the Board of Directors giving effect to such designation and a certificate of a Financial Officer certifying that such designation complied with the foregoing provisions.

All other terms capitalized in this Schedule 16 and not defined shall be deemed to have the meaning in the Agreement. Terms in this Schedule 16 relating to article 13.3 (xv) of the General Master Purchase Agreement shall be deemed amended, for the purposes of the General Master Purchase Agreement, from time upon the amendment of the Agreement.

**SCHEDULE 17**  
**FORM OF LETTER IN RELATION TO THE LIMITATION OF RECOURSE OF**  
**CREDITORS OF ESTER FINANCE TITRISATION REGARDING THE GOODYEAR**  
**SECURITISATION TRANSACTION**

Intentionally omitted from this filing.



**SCHEDULE 18**  
**CALCULATION FORMULAE OF THE DISCOUNT RESERVE AND OF THE ASSIGNMENT COSTS**

Intentionally omitted from this filing.

**SCHEDULE 19**  
**FORM OF ANNUAL NOTICE FOR MAXIMUM AMOUNT OF THE PURCHASER'S FUNDING**

Intentionally omitted from this filing.

**SCHEDULE 4**  
**FORM OF CALCULATION NOTICE FOR TRANSITIONAL PERIOD**

Intentionally omitted from this filing.

The Company hereby agrees to furnish a copy of this schedule to the Securities and Exchange Commission upon request.

**GOODYEAR**

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**MASTER SUBORDINATED DEPOSIT AGREEMENT**

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**DATED 23 JULY 2008**

**between**

**EUROFACTOR**

as Agent

**CALYON**

as Calculation Agent

**ESTER FINANCE TITRISATION**

as Purchaser

**DUNLOP TYRES LIMITED**

as Subordinated Depositor or Centralising Unit



**Gide Loyrette Nouel**

A.A.R.P.I.

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**THIS MASTER SUBORDINATED DEPOSIT AGREEMENT IS ENTERED INTO BETWEEN**

1. **EUROFACTOR** a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 1-3 rue du Passeur de Boulogne Immeuble Bord de Seine, 92130 Issy Les Moulineaux, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 333 871 259, whose representative is duly authorised for the purpose of this agreement (the “**Agent**”);
2. **CALYON**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this agreement (the “**Calculation Agent**”);
3. **ESTER FINANCE TITRISATION**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 414 886 226, whose representative is duly authorised for the purpose of this agreement (“**ESTER FINANCE**” or the “**Purchaser**”);
4. **DUNLOP TYRES LIMITED**, a company incorporated under the laws of England and Wales with company number 1792065 whose registered office is situated at Tyrefort, 88-89 Wingfoot Way, Birmingham B24 9HY, whose representative is duly authorised for the purpose of this agreement (the “**Centralising Unit**” or the “**Subordinated Depositor**”).

## **WHEREAS**

- (A) GOODYEAR DUNLOP TIRES France S.A., (the “**French Seller**”), FULDA REIFEN GmbH & Co. KG, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co. KG, GOODYEAR GmbH & Co. KG, DUNLOP GmbH & Co. KG, GOODYEAR DUNLOP TIRES OE GmbH (the “**German Sellers**”), GOODYEAR DUNLOP TIRES Italia SPA (the “**Italian Seller**”), GOODYEAR DUNLOP TIRES España, S.A. (the “**Spanish Seller**”) and GOODYEAR DUNLOP TYRES UK Ltd (the “**UK Seller**”) are in the business of manufacturing and/or supplying tyres and activities relating thereto, and hold receivables over certain customers.
- (B) In order to provide financing to certain European subsidiaries of GOODYEAR, CALYON and NATIXIS have proposed to set up a securitisation transaction by way of the sale, on an ongoing basis, of existing and future trade receivables resulting from the ordinary business of the Sellers in Belgium, the United Kingdom, France, Germany, Italy and Spain (the “**Securitisation Transaction**”).
- (C) Pursuant to the Securitisation Transaction and with respect to the French Seller, the German Sellers (except GOODYEAR DUNLOP TIRES OE GmbH), the Spanish Seller and the UK Seller, existing and future trade receivables will be purchased by the Purchaser from those Sellers on an ongoing basis and in accordance with the receivables purchase agreements governed by French law, German law and/or English law (the “**Receivables Purchase Agreements**”). Notwithstanding the foregoing, GOODYEAR DUNLOP TIRES OE GmbH will assign domestic receivables governed by German law and cross border receivables governed by French law, English law, Belgian law, German law, Italian law or Spanish law under the Receivables Purchase Agreement to which it is a party, in each case in accordance with the provisions of the law applicable to such receivable (and, as regards the receivables sold by the Spanish Seller, under French law).
- (D) The Purchaser shall fund the acquisition of Ongoing Purchasable Receivables, Remaining Purchasable Receivables, Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables:
  - (i) partly out of a senior deposit (the “**Senior Deposit**”) effected by the Depositor with the Purchaser in accordance with a master senior deposit agreement (the “**Master Senior Deposit Agreement**”); and
  - (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a subordinated deposit (the “**Subordinated Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of the present master subordinated deposit agreement (the “**Master Subordinated Deposit Agreement**”) and (b) a complementary deposit (the “**Complementary Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master complementary deposit agreement (the “**Master Complementary Deposit Agreement**”).
- (E) The Purchaser and the Subordinated Depositor are willing to define the terms and conditions according to which the Subordinated Deposit shall be made by the Subordinated Depositor with the Purchaser and shall be pledged as cash collateral (*affecté à titre de gage-espèces*) in favour of the Purchaser and have agreed to enter into this agreement under the terms and subject to the conditions set forth hereunder.



**IT IS HEREBY AGREED AS FOLLOWS:**

**CHAPTER I  
INTERPRETATION**

**1. DEFINITIONS**

Capitalised terms and expressions used in this Master Subordinated Deposit Agreement shall have the same meaning as ascribed to such terms and expressions in the glossary set out in schedule 1 to the general master purchase agreement in relation to the securitization of trade receivables of certain subsidiaries of the Goodyear group dated 10 December 2004 as amended and restated on 23 May 2005, on 26 August 2005 and on or about the date hereof between, inter alia, Ester Finance Titrisation, Eurofactor, Calyon, Natixis, Dunlop Tyres Limited and the sellers listed therein (the “**General Master Purchase Agreement**”).

**2. INTERPRETATION**

- (i) The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference only, and shall not be used to interpret this Master Subordinated Deposit Agreement.
- (ii) In this Master Subordinated Deposit Agreement, except if the context calls for another interpretation:
  - (a) references to “**Chapters**”, “**Articles**” and “**Schedules**” shall be construed as references to the chapters, articles and schedules of this Master Subordinated Deposit Agreement and references to this Master Subordinated Deposit Agreement include its recitals and Schedules;
  - (b) headings are for convenience only and shall not affect the interpretation of the this Master Subordinated Deposit Agreement;
  - (c) words in the plural shall cover the singular and vice versa;
  - (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
  - (e) reference to any person shall include its permitted assignee, transferee, successors or any person deriving title under or through it;
  - (f) references to a document shall mean this document, as amended, replaced by novation or varied from time to time;
  - (g) words appearing in this Master Subordinated Deposit Agreement in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
  - (h) references to “**Parties**” must be interpreted as references to the parties to the present agreement, and to a “**Party**” shall refer to any of the Parties; and
  - (i) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

## CHAPTER II PURPOSE — DURATION

### 3. PURPOSE OF THIS AGREEMENT

- 3.1** The Subordinated Depositor shall make a Subordinated Deposit with the Purchaser in accordance with the terms of this Master Subordinated Deposit Agreement.
- 3.2** The Subordinated Deposit made by the Subordinated Depositor under this Master Subordinated Deposit Agreement shall be applied and pledged as cash collateral (*affecté à titre de gage-espèces*) in favour of the Purchaser in accordance with and subject to the provisions of Article 10.

All repayments of principal to be made by the Purchaser to the Subordinated Depositor in respect of the Subordinated Deposit shall be made up to the amount and to the extent of the sums received by the Purchaser in respect of the Sold Receivables and the Refinanced Sold Receivables in the manner described under Article 7 below. During the Amortisation Period, such repayments under the Subordinated Deposit shall be subject to the order of priority of payments provided for under article 16 of the General Master Purchase Agreement and shall, in particular, occur after the full and definitive repayment of any sum due under the Senior Deposit.

The Subordinated Depositor agrees that, for the purposes of the repayment of the Subordinated Deposit or payment of any sums otherwise due under this Master Subordinated Deposit Agreement, it will look solely to the amount of the sums received by the Purchaser under the General Master Purchase Agreement and under the Refinanced Receivables Purchase Agreement until the Program Expiry Date and that the Subordinated Depositor shall not, in such capacity, take or pursue any judicial or other proceedings, or exercise any right or remedy that it might otherwise have against the Purchaser or the Purchaser's assets save to the extent required for the recovery of such sums.

### 4. DURATION OF THE AGREEMENT

- 4.1** This Master Subordinated Deposit Agreement shall enter into force on the Amendment Date and shall terminate on the Program Expiry Date.
- 4.2** The Subordinated Deposit shall be repaid in the manner described in Article 7 below.

## CHAPTER III AMOUNT OF THE SUBORDINATED DEPOSIT

### 5. AMOUNT OF THE SUBORDINATED DEPOSIT

#### 5.1 Amount of the Subordinated Deposit

On each Calculation Date preceding a Settlement Date during the Replenishment Period, the amount of the Subordinated Deposit shall be calculated in accordance with the provisions of SCHEDULE 1 and SCHEDULE 2.

On each Calculation Date, during the Replenishment Period, the Agent shall calculate the difference between (i) the amount of the Subordinated Deposit on the following Settlement Date, and (ii) the amount of the Subordinated Deposit on the preceding Settlement Date.

During the Amortisation Period until the Program Expiry Date, the amount of the Subordinated Deposit shall be equal to the amount of the Subordinated Deposit as at the last Settlement Date, and shall be repaid, after full repayment of the Senior Deposit, in accordance with the provisions of Article 7.

#### 5.2 Calculation and setting up of the Subordinated Deposit

##### 5.2.1 Calculation

- (i) At the latest on the Calculation Date preceding the Settlement Date of 30 July 2008, the Agent shall calculate, in accordance with the provisions of SCHEDULE 1 and SCHEDULE 2, and notify forthwith to the Purchaser and the Subordinated Depositor the amount of the Subordinated Deposit to be made on the Settlement Date of 30 July 2008, together with the details of such calculation.
- (ii) On any subsequent Calculation Date during the Replenishment Period, the Agent shall calculate, in accordance with the provisions of SCHEDULE 1 and SCHEDULE 2, and notify forthwith to the Purchaser and the Subordinated Depositor of the difference between (i) the amount of the Subordinated Deposit on the Settlement Date following such Calculation Date, and (ii) the amount of the Subordinated Deposit on the preceding Settlement Date, together with the details of such calculation.

If the amount of the Subordinated Deposit on the Settlement Date following such Calculation Date is higher than the amount of the Subordinated Deposit on the Settlement Date preceding such Calculation Date, the Subordinated Deposit shall be increased by the Euro amount of the difference (the **“Increase in the Subordinated Deposit”**).

If the amount of the Subordinated Deposit on the Settlement Date following such Calculation Date is lower than the amount of the Subordinated Deposit on the Settlement Date preceding such Calculation Date, the Subordinated Deposit shall be reduced by the Euro amount of the difference (the **“Reduction of the Subordinated Deposit”**).

For the avoidance of doubt, any reference to the Subordinated Deposit in the Transaction Documents shall be to the Subordinated Deposit as it may be increased or reduced in accordance with this Article 5.2.1.

### 5.2.2 Setting up of the Subordinated Deposit

- (i) On the Settlement Date of 30 July 2008, before 9.00 a.m. (Paris time), the Subordinated Deposit shall be made by the Subordinated Depositor in Euro with the Purchaser, for the amount calculated in accordance with Article 5.2.1 (i) and the terms and conditions of the third amendment to the General Master Purchase Agreement entered into on the Amendment Date.
- (ii) On each Settlement Date following the Settlement Date of 30 July 2008, during the Replenishment Period, before 9.00 a.m. (Paris time):
  - (a) the Subordinated Depositor shall make a deposit in respect of the Subordinated Deposit in Euro with the Purchaser, for an amount corresponding to any Increase in the Subordinated Deposit, as calculated in accordance with Article 5.2.1(ii) above; or
  - (b) the Purchaser shall repay a portion of the Subordinated Deposit to the Subordinated Depositor, for an amount corresponding to any Reduction of the Subordinated Deposit, as calculated in accordance with Article 5.2.1(ii) above, subject to the provisions of Article 7.

The payments to be made pursuant to (i) and (ii) above shall be effected in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement.

## 6. **SUBORDINATED DEPOSIT FEE — NO INTEREST**

- 6.1** During the Replenishment Period only, the Purchaser shall pay a Subordinated Deposit Fee to the Subordinated Depositor on a monthly basis, as remuneration for its undertaking to make the Subordinated Deposit pursuant to the terms and conditions of this Master Subordinated Deposit Agreement. The amount of the Subordinated Deposit Fee shall be calculated in accordance with SCHEDULE 3. The Subordinated Deposit Fee shall be paid in arrears on each Funded Settlement Date (as from 30 July 2008).

The payment of each Subordinated Deposit Fee shall be effected in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement.

- 6.2** The Purchaser and the Subordinated Depositor hereby expressly agree that the Subordinated Deposit shall not bear interest.

The Subordinated Depositor acknowledges that it has entered into intercompany arrangements with the Sellers *inter alia* (the “**Intercompany Arrangements**”) pursuant to which the Subordinated Depositor will receive from each Seller any necessary consideration for the making of the Subordinated Deposit and will be indemnified in an appropriate manner by each Seller in accordance with its corporate interest and in respect of the losses incurred by the Subordinated Depositor as a result of the Subordinated Deposit made under this Master Subordinated Deposit Agreement.

## CHAPTER IV REPAYMENT — PAYMENTS

### 7. REPAYMENT

#### 7.1 Principle

The repayment of the Subordinated Deposit, which shall be carried out until the Program Expiry Date, shall always be subject to (i) the provisions of Article 3.2 above and (ii) the order of priority of payments set forth Article 7.2.

#### 7.2 Repayment of the Subordinated Deposit

7.2.1 On each Settlement Date during the Replenishment Period, the Purchaser shall repay, if applicable, the Subordinated Deposit to the Subordinated Depositor, for an amount equal to any Reduction of the Subordinated Deposit as calculated under Article 5.2.1.

7.2.2 On each Settlement Date during the Amortisation Period, and until the Program Expiry Date, the Purchaser shall repay to the Subordinated Depositor the Subordinated Deposit, for an amount resulting from the allocations set out in article 16 of the General Master Purchase Agreement.

The Parties agree that, for the avoidance of doubt, and in accordance with the order of priority set forth under article 16 of the General Master Purchase Agreement which the Centralising Unit expressly acknowledges and accepts, the Subordinated Deposit shall not be repaid during the Amortisation Period, *inter alia*, until full repayment of the Senior Deposit.

Such repayment shall be effected by means of the Distributed Amounts received by the Purchaser under the Sold Receivables and the Refinanced Sold Receivables until the Program Expiry Date and in accordance with the order of priority of payments as described in article 16 of the General Master Purchase Agreement.

7.2.3 In the event that, on the Program Expiry Date, the Distributed Amounts do not permit the repayment in full of any outstanding amount remaining unpaid under the Subordinated Deposit, then, the Purchaser shall be irrevocably released from any repayment obligations hereunder.

7.3 In the event that during the Amortisation Period, the Centralising Unit, acting in the name and on behalf of the Sellers, repurchases all outstanding Sold Receivables from the Purchaser in accordance with article 4.3 of the General Master Purchase Agreement, the purchase price of such Sold Receivables shall be applied by the Purchaser to the repayment of the Subordinated Deposit in the order specified in article 16 of the General Master Purchase Agreement.

### 8. PAYMENTS

8.1 All payments to be made in accordance with this Master Subordinated Deposit Agreement shall be made in Euro.

- 8.2** All repayments of principal and all payments falling due on a day which is not a Business Day shall instead fall due on the following Business Day.
- 8.3** At any time, until the Program Expiry Date, subject to article 6 of the General Master Purchase Agreement, the Purchaser shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Subordinated Depositor in respect of the Subordinated Deposit and (ii) any amount due and payable by the Subordinated Depositor to the Purchaser under this Agreement or any of the Transaction Documents.

## **CHAPTER V GENERAL PROVISIONS**

### **9. REPRESENTATIONS AND WARRANTIES**

The Subordinated Depositor hereby represents and warrants to the Purchaser, as follows:

- (i) it is a limited liability company duly incorporated and validly existing under the laws of England and Wales and has the capacity (a) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where not having such capacity would not be reasonably likely to result in a Material Adverse Effect, and (b) to enter into and perform its obligations under this Master Subordinated Deposit Agreement;
- (ii) the execution of this Master Subordinated Deposit Agreement does not require any authorisation with respect to the Subordinated Depositor that has not already been obtained and communicated to the Purchaser, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (iii) the execution of this Master Subordinated Deposit Agreement and the performance of the obligations under this Master Subordinated Deposit Agreement do not contravene any of the provisions of the Subordinated Depositor's articles and memorandum of association, agreements or undertakings to which it is a party or by which it is bound, and do not in any manner contravene the statutes and regulations applicable to it, except, in each case, to the extent that no Material Adverse Effect would result from such breach;
- (iv) the obligations arising out of this Master Subordinated Deposit Agreement are binding on the Subordinated Depositor and enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally;
- (v) in the event that, in accordance with the provisions of this Master Subordinated Deposit Agreement and the General Master Purchase Agreement, the Subordinated Depositor is not repaid in full on the Program Expiry Date, the Subordinated Depositor shall incur any losses out of its own business, and the Purchaser shall not be liable, in any manner whatsoever, in this respect (except, as the case may be, as provided in article 4.2 (b) of the General Master Purchase Agreement); and

- (vi) the constitution of the Subordinated Deposit as cash collateral (*affectation à titre de gage-espèces*) in favour of the Purchaser, as set forth in Article 10 below, complies with the Subordinated Depositor's corporate interest and does not exceed its financial capabilities; the Subordinated Depositor has entered into Intercompany Arrangements with the Sellers and GOODYEAR DUNLOP TIRES EUROPE B.V., pursuant to which the Subordinated Depositor shall receive from each Seller any necessary consideration for making the Subordinated Deposit and shall be indemnified as is appropriate by each Seller and GOODYEAR DUNLOP TIRES EUROPE B.V. in respect of the losses incurred by the Subordinated Depositor as a result of the Subordinated Deposit made under this Master Subordinated Deposit Agreement.

## CHAPTER VI CASH COLLATERAL

### 10. APPLICATION OF THE SUBORDINATED DEPOSIT AS CASH COLLATERAL FOR THE BENEFIT OF THE PURCHASER

- 10.1** The Subordinated Depositor hereby irrevocably agrees that the Subordinated Deposit made under this Master Subordinated Deposit Agreement shall, by virtue of this Article, be pledged and consequently applied as cash collateral (*affecté à titre de gage-espèces*) by the Subordinated Depositor in favour of the Purchaser until the Program Expiry Date, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and Refinanced Sold Receivables and (ii) any sum due to the Purchaser by any Seller, the Refinanced Seller or the Centralising Unit pursuant to the Transaction Documents.

The Subordinated Depositor expressly exempts the Purchaser from the obligation to keep the Subordinated Deposit granted as cash collateral segregated from any other sums or any cash which belong(s) to the Purchaser.

The Subordinated Depositor hereby irrevocably agrees that the pledge and application of the Subordinated Deposit as cash collateral (*affectation du dépôt subordonné à titre de gage-espèces*) in favour of the Purchaser shall transfer to the Purchaser the ownership of those sums received under the Subordinated Deposit.

- 10.2** The cash collateral (*gage-espèces*) shall be deemed created and effective as of the date on which the Subordinated Deposit is made with the Purchaser.
- 10.3** The obligation of the Purchaser to transfer back to the Subordinated Depositor the Subordinated Deposit (*créance en restitution*) shall automatically be reduced by any principal amount paid by the Purchaser to the Subordinated Depositor on account of the Subordinated Deposit in accordance with Article 7 above.
- 10.4** The outstanding amount of the Subordinated Deposit, as of the Program Expiry Date shall be applied by the Purchaser against the aggregate of (a) any remaining sums due to the Purchaser in respect of the Sold Receivables and Refinanced Sold Receivables, and (b) any remaining sums due to the Purchaser by the Sellers, the Refinanced Seller or the Centralising Unit pursuant to the Transaction Documents, remaining due as of the Program Expiry Date.

The amount so applied shall automatically reduce the obligation of the Purchaser, to transfer back the outstanding amount of the Subordinated Deposit to the Subordinated Depositor (*créance en restitution*).

## **CHAPTER VII MISCELLANEOUS**

### **11. FEES AND EXPENSES**

The Subordinated Depositor, in the name and on behalf of the Sellers, shall bear, in particular, any costs and expenses incurred by ESTER FINANCE, in accordance with article 29 of the General Master Purchase Agreement.

### **12. SUBSTITUTION AND AGENCY**

Each Party shall have the right to be assisted by, to appoint or to substitute for itself one or more third parties in the performance of certain tasks provided that:

- (i) such Party has given prior written notice of the exercise of that right to the other Parties;
- (ii) such Party remains liable to the other Parties for the proper performance of those tasks and the relevant third party/parties has or have expressly renounced any right to any contractual claim against the other Parties;
- (iii) the relevant third party/parties undertake(s) to comply with all obligations binding upon such Party under this Master Subordinated Deposit Agreement; and
- (iv) the substitution, assistance or agency shall not entail an increase in the costs incurred by the other Parties.

The Parties acknowledge however that, in order to avoid doubt, this Article shall not apply to the Subordinated Depositor in respect of the making of the Subordinated Deposit.

### **13. CONFIDENTIALITY**

For the purposes to this Master Subordinated Deposit Agreement, the Parties agree to be bound by the provisions relating to confidentiality as provided for by article 31 (*Confidentiality*) of the General Master Purchase Agreement.

### **14. TRANSFERABILITY OF THIS AGREEMENT**

Except to the extent authorised in Article 12, this Master Subordinated Deposit Agreement is concluded on the *intuitu personae* of the Parties to this Master Subordinated Deposit Agreement. Therefore, none of the Parties may transfer this Master Subordinated Deposit Agreement, or its rights and/or obligations hereunder, to any third party whatsoever, without the prior written consent of the other Parties.

### **15. NOTICES**

- 15.1** Except as otherwise set forth in the Transaction Documents, all notices, requests or communications which must or may be made pursuant to this Master Subordinated Deposit Agreement shall be by way of writing, mail or fax.



- 15.2** All notices, requests or communications to be made and all documents to be delivered from one Party to the other Party under the Master Subordinated Deposit Agreement shall be made and delivered to the addressees referred to in schedule 7 to the General Master Purchase Agreement.
- 15.3** All notices, requests or communications made and all documents delivered under the Master Subordinated Deposit Agreement shall only take effect upon the date of their receipt by its addressee.
- 15.4** Each of the Parties may at any time modify the addressee of the notices, requests or communications to be made and the documents to be delivered to it under the Master Subordinated Deposit Agreement by sending to that effect a letter or fax to the other Party indicating the name of the new addressee.
- 15.5** The Parties agree that the Centralising Unit shall be responsible for receiving written notice on behalf of the Sellers, and that any notice given by the Purchaser to the Sellers and delivered to the Centralising Unit shall be deemed validly received by all of the Sellers upon receipt by the Centralising Unit.

## **16. EXERCISE OF RIGHTS**

- 16.1** All rights conferred on the Purchaser or the Subordinated Depositor under this Master Subordinated Deposit Agreement or by any other document delivered pursuant to or incidental to this Master Subordinated Deposit Agreement or any Transaction Document, including rights conferred by law, shall be cumulative and may be exercised at any time.
- 16.2** The fact that the Purchaser or the Subordinated Depositor does not exercise a right or delays in doing so shall in no way be construed as a waiver of that right. The exercise of any right or a partial exercise of such right shall not prevent the Purchaser or the Subordinated Depositor from exercising such a right again in the future, or from exercising any other right.

## **17. INDIVISIBILITY**

Each Party acknowledges that the General Master Purchase Agreement, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall form a single set of contractual rights and obligations and that, if the General Master Purchase Agreement, or the Master Complementary Deposit Agreement becomes void or ceases to be effective and enforceable for any reason whatsoever, this Master Subordinated Deposit Agreement shall also become void or cease to be effective and enforceable accordingly. Any payment already made by the Centralising Unit acting in the name and on behalf of the Sellers or on its own behalf to the Purchaser under this Master Subordinated Deposit Agreement, the General Master Purchase Agreement, the Receivables Purchase Agreements and the Master Complementary Deposit Agreement shall not be affected by such a nullity, ineffectiveness or unenforceability.

## **18. PARTIAL INVALIDITY**

If one or more provisions of this Master Subordinated Deposit Agreement is or becomes invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any Party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such Party or Parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other Party or Parties hereto.

Such invalid, illegal or unenforceable provision shall be replaced by the Parties to such contract with a provision which reflects in so far as is reasonably possible the intentions of the invalid, illegal or unenforceable provision. Any fees, costs and expenses incurred by the Parties in connection with any amendment necessary or advisable pursuant to this Article shall be borne exclusively by the Subordinated Depositor.

## **19. AMENDMENTS**

- 19.1** No amendment to this Master Subordinated Deposit Agreement (other than contemplated in Article 19.2) may be made without the written consent of each other Party thereto and (a) unless the Rating Agencies (i) have been informed and provided by the Arranger with all necessary details they may require in respect of such contemplated amendment and (ii) have confirmed that the contemplated amendment will not entail a downgrading or withdrawal of the current ratings of any Notes issued by the Issuers, or that the contemplated amendment will reduce a downgrading or withdrawal which would otherwise occur, but for such amendment being made, and (b) each Issuer and each Liquidity Bank has given its prior written consent to such amendment (such consent not being unreasonably withheld or delayed).
- 19.2** In contemplation of the Joint Lead Arrangers obtaining a shadow rating from Moody's or any other Rating Agency within a reasonable time limit of the date of the Amendment Date, and in case the Parties agree with the Overcollateralisation Rate as calculated by such Rating Agency, the Parties agree that this Master Subordinated Deposit Agreement and the attached Schedules will be amended as soon as practicable at that time in order to reflect the changes in the calculation reflected in such Schedules. It is understood that the Joint Lead Arrangers will use all reasonable efforts to obtain such shadow rating.

## **20. LIMITED RECOURSE — NON PETITION**

### **20.1 Limited recourse**

Each of the Agent, the Centralising Unit, the Subordinated Depositor and the Calculation Agent agrees to limit its claims and recourse against ESTER FINANCE (including in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations hereunder) to the amount of the Available Funds on the relevant date.

### **20.2 Non Petition**

Each of the Agent, the Centralising Unit, the Subordinated Depositor and the Calculation Agent irrevocably and unconditionally undertakes and agrees:

- (i) not to exercise any rights of contractual or other recourse which it may have against ESTER FINANCE in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations under this Master Subordinated Deposit Agreement, except in the event of the gross negligence (*faute lourde*) or wilful misconduct (*dol*) on the part of ESTER FINANCE; and
- (ii) not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE, the purpose or effect of which is the appointment of a conciliator or an *ad hoc* agent, or the opening of receivership proceedings or insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) or any other similar proceedings.

## **21. GOVERNING LAW — JURISDICTION**

**21.1** This Master Subordinated Deposit Agreement shall be governed by French law.

**21.2** Any dispute as to the validity, interpretation, performance or any other matter arising out of this Master Subordinated Deposit Agreement shall be subject to the jurisdiction of the competent courts of Paris (*Cour d'appel de Paris*). The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Executed in Paris on 23 July 2008 in four (4) originals by:

**ESTER FINANCE TITRISATION**

\_\_\_\_\_  
**By:** \_\_\_\_\_

**EUROFACTOR**  
*Agent*

\_\_\_\_\_  
**By:** \_\_\_\_\_

**DUNLOP TYRES LIMITED**  
*Subordinated Depositor and Centralising Unit*

\_\_\_\_\_  
**By:** \_\_\_\_\_

**CALYON**  
*Calculation Agent*

\_\_\_\_\_  
**By:** \_\_\_\_\_

\_\_\_\_\_  
**By:** \_\_\_\_\_

## SCHEDULE 1 CALCULATION OF THE OVERCOLLATERALISATION RATE

EUROFACTOR calculates the Overcollateralisation Rate for each Funded Settlement Date applied for such Funded Settlement Date and the next Intermediary Settlement Date during the Replenishment Period as follows:

Criteria such as theoretical DSO, loss horizon and dilution horizon could be updated during the life time of the program, according to any change in the collecting and management procedures of the Sellers as noticed during the follow-up audits.

**Overcollateralisation Rate (m) (\*) = Maximum** [30% — Discount Reserve Rate; Loss Reserve Rate (m)+ Dilution Reserve (m) + YER Reserve (m) + Customer/Supplier Reserve (m)] + Exchange Rate Reserve

(\*) As used herein, “m” means, with respect to any Funded Settlement Date, as the case may be, the Assessment Date related to the such Funded Settlement Date or the calendar month ending on such Assessment Date and “m-X” means the Xth calendar month preceding such calendar month.

The Loss Reserve means the Loss Reserve Rate multiplied by the sum of (i) the Outstanding Amount of the Eligible Receivables and (ii) the Outstanding Amount of the Refinanced Eligible Receivables.

### 1. Loss Reserve Rate

- Theoretical days of sales outstanding(DSO):                      81 days (\*\*)
- Defaulted Receivables period:                                      beyond 90 days past due
- Stress factor:    2,25
- Loss horizon:    5 months and 26 days (\*\*\*)  
X months and Y days

**Loss Reserve Rate (m) =**                                      Maximum (Stress factor \* Loss horizon ratio (m) \* maximum within the last 12 months of the Loss ratio (m) + Default Volatility Factor; Floor Reserve Rate)

Loss horizon ratio (m) =                                      
$$\frac{[Y/30 * \text{Turnover (m-X)} + \text{Turnover (m-[X-1])} + \text{Turnover (m-[X-2])} + \dots + \text{Turnover (m)}]}{[\text{Outstanding Amount of Sold Receivables as of the end of month m} + \text{Outstanding Amount of Refinanced Sold Receivables as of the end of month m} - \text{Outstanding Amount of Defaulted Receivables as of the end of month m} - \text{Outstanding Amount of Refinanced Defaulted Receivables as of the end of month m} - \text{Outstanding Amount of Net Miscellaneous Receivables as of the end of month m}]}$$

	Outstanding Amount of Refinanced Net Miscellaneous Receivables as of the end of month m]
Turnover (m) =	The aggregated gross Sold Receivables and Refinanced Sold Receivables sold during the relevant period VAT included
Loss ratio (m) =	average within the 3 last calendar months of the Defaulted ratio
Defaulted Receivables (m) =	Sold Receivables and Refinanced Sold Receivables that became Defaulted Receivables and Refinanced Defaulted Receivables during the relevant month
Defaulted ratio (m)	$\frac{(\text{Defaulted Receivables (m)} + \text{Refinanced Defaulted Receivables (m)})}{\text{Turnover (m-[X+1])}}$
Defaulted Volatility Factor	standard deviation over twelve past months (including the month m) of the Defaulted ratios multiplied by 1,96
Floor Reserve Rate (m) =	{Maximum [sum of the Receivables for Financing on the 5 Debtors Groups with the largest Receivables for Financing who are non rated or non investment grade; sum of the Receivables for Financing of the 4 Debtors Groups with the largest Receivables for Financing who are rated BB-to BB+; sum of the Receivables for Financing of the 3 Debtors Groups with the largest Receivables for Financing rated BBB-to BBB+; +; sum of the Receivables for Financing of the 2 Debtors Groups with the largest Receivables for Financing rated A- to A+; / (Outstanding Amount of Eligible Receivables as of “m” + Outstanding Amount of Refinanced Eligible Receivables as of “m”)
Receivables for Financing =	Aggregated amount of the Outstanding Amount of Eligible Receivables and Outstanding Amount of Refinanced Eligible Receivables, on the relevant Assessment Date
Debtors Group =	means a group of debtors for which a parent company owns 50% + 1% of voting rights.

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(\*\*) *Theoretical DSO corresponds to the average theoretical condition of payment of invoicing as provided by the Seller and the Refinanced Seller at each follow up audit*

(\*\*\*) *Loss horizon is equal to theoretical DSO plus the Defaulted Receivables period plus 5 days.*

## 2. Dilution Reserve

- Dilution horizon: 1 month (\*\*\*\*)

- Stress factor (SF): 2,25

**Dilution reserve (m) =**  $[\{SF * ED\} + \{DS - ED\} * \{DS/ED\}] * DHR (m)$

Expected Dilution (ED) = average Dilution ratio within the last 12 months

Dilution ratio (m) = Net Credit Notes (m) / Turnover (m-1)

Net credit notes (m) = new Credit Notes issued during the relevant month, based on the reporting template filled monthly by each seller and the Refinanced Seller, excluding any Miscellaneous Accounting Credit Entries

Dilution Spike (DS) = Maximum Dilution ratio within the last 12 months

Dilution horizon ratio (DHR) =  $\text{Turnover (m)} / [\text{Outstanding Amount of Sold Receivables as of the end of month m} - \text{Outstanding Amount of Defaulted Receivables as of the end of month m} - \text{Outstanding Amount of Net Miscellaneous Receivables as of the end of month m} + \text{Outstanding Amount of Refinanced Sold Receivables as of the end of month m} - \text{Outstanding Amount of Refinanced Defaulted Receivables as of the end of month m} - \text{Outstanding Amount of Refinanced Net Miscellaneous Receivables as of the end of month m}]$

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(\*\*\*\*) *Dilution horizon is equal to the estimated average amount of time elapsed from the creation of an Eligible Receivable and a Refinanced Eligible Receivable to the issuance of a Credit Note pertaining thereto.*

#### 4. YER Reserve

**YER Reserve (m)** = Maximum Consolidated YER ❶ (m) / [Outstanding Amount of Sold Receivables as of the end of month m — Outstanding Amount of Defaulted Receivables as of the end of month m — Outstanding Amount of Net Miscellaneous Receivables as of the end of month m + Outstanding Amount of Refinanced Sold Receivables as of the end of month m - Outstanding Amount of Refinanced Defaulted Receivables as of the end of month m - Outstanding Amount of Refinanced Net Miscellaneous Receivables as of the end of month m]

❶ *Consolidated YER declared in the Assessment Report*

#### 5. Customer / Supplier Reserve

**Customer / Supplier Reserve (m)** = Customer — Suppliers outstanding ❷ (m) / [Outstanding Amount of Sold Receivables as of the end of month m — Outstanding Amount of Defaulted Receivables as of the end of month m — Outstanding Amount of Net Miscellaneous Receivables as of the end of month m + Outstanding Amount of Refinanced Sold Receivables as of the end of month m — Outstanding Amount of Refinanced Defaulted Receivables as of the end of month m — Outstanding Amount of Refinanced Net Miscellaneous Receivables as of the end of month m]

❷ *Customer- Suppliers outstanding such as declared in the Assessment Report*

#### 6. Discount reserve rate

Discount reserve rate = Discount Reserve <sup>(1)</sup> / [Outstanding Amount of Sold Receivables on such Settlement Date <sup>(2)</sup> — Outstanding Amount of Defaulted Receivables on such Settlement Date <sup>(3)</sup> — Outstanding Amount of Net Miscellaneous Receivables on such Settlement Date + Outstanding Amount of Refinanced Sold Receivables as of the end of month m - Outstanding Amount of Refinanced Defaulted Receivables as of the end of month m — Outstanding Amount of Refinanced Net Miscellaneous Receivables as of the end of month m]

With:

<sup>(1)</sup> The Discount Reserve is defined in schedule 1 of the General Master Purchase Agreement.

<sup>(2)</sup> Taking into account Purchasable Receivables to be purchased on such Settlement Date

<sup>(3)</sup> Excluding any such receivables that, after becoming Doubtful Receivables, have been repurchased.

#### 7. Exchange Rate Reserve

Exchange Rate Reserve = Exchange Rate Probability \* [Outstanding Amount of Sold Receivables in GBP on such Settlement Date / Outstanding Amount of Sold Receivables on such Settlement Date + Outstanding Amount of Refinanced Sold Receivables on such Settlement Date]

Exchange Rate Probability = mean + 2 \* standard deviation

The mean and the standard deviation are calculated on the historical 15-day % of change over the last 5 years of the GBP vs Euro currency rate, following a lognormal statistic rule.

The Exchange Rate Probability shall be updated semi annually by the Agent, based on the information received from the Calculation Agent.



## SCHEDULE 2 CALCULATION OF THE SUBORDINATED DEPOSIT

**On each Settlement Date during the Replenishment Period:**

<b>Subordinated Deposit =</b>	Overcollateralisation Rate, * [Outstanding Amount of Sold Receivables on such Settlement Date <sup>(1)</sup> + Outstanding Amount of Refinanced Sold Receivables on such Settlement Date — Outstanding Amount of Defaulted Receivables on such Settlement Date <sup>(2)</sup> — Outstanding Amount of Refinanced Defaulted Receivables on such Settlement Date — Outstanding Amount of Net Miscellaneous Receivables on such Settlement Date — Outstanding Amount of Refinanced Net Miscellaneous Receivables on such Settlement Date];
+	Outstanding Amount of Defaulted Receivables on such Settlement Date <sup>(2)</sup>
+	Outstanding Amount of Refinanced Defaulted Receivables on such Settlement Date <sup>(2)</sup>
+	Outstanding Amount of Net Miscellaneous Receivables <sup>(3)</sup> on such Settlement Date
+	Outstanding Amount of Refinanced Net Miscellaneous Receivables <sup>(3)</sup> on such Settlement Date.

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<sup>(1)</sup> Taking into account Refinanced Purchasable Receivables and Purchasable Receivables to be purchased on such Settlement Date.

<sup>(2)</sup> Excluding any such receivables that, after becoming Doubtful Receivables or Refinanced Doubtful Receivables, have been repurchased.

<sup>(3)</sup> As long as the sum of the Outstanding Amount of Net Miscellaneous Receivables and the Outstanding Amount of Refinanced Net Miscellaneous Receivables is positive.

**SCHEDULE 3 CALCULATION OF THE SUBORDINATED DEPOSIT FEE**

On each Funded Settlement Date, during the Replenishment Period, the Subordinated Deposit Fee due and payable shall be equal to the sum of:  
the Subordinated Deposit Fee Component calculated on the Calculation Date preceding such Funded Settlement Date and the Subordinated Deposit Fee Component calculated on the Calculation Date preceding the last Intermediary Settlement Date in accordance with schedule 18C of the General Master Purchase Agreement.

GOODYEAR

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**MASTER COMPLEMENTARY DEPOSIT AGREEMENT**

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**DATED 23 JULY 2008**

**between**

**EUROFACTOR**

as Agent

**CALYON**

as Calculation Agent

**ESTER FINANCE TITRISATION**

as Purchaser

**and**

**DUNLOP TYRES LIMITED**

as Complementary Depositor or Centralising Unit



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**THIS MASTER COMPLEMENTARY DEPOSIT AGREEMENT IS ENTERED INTO BETWEEN:**

1. **EUROFACTOR**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 1-3 rue du Passeur de Boulogne Immeuble Bord de Seine, 92130 Issy Les Moulineaux, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 333 871 259, whose representative is duly authorised for the purpose of this agreement (the “**Agent**”);
2. **CALYON**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this agreement (the “**Calculation Agent**”);
3. **ESTER FINANCE TITRISATION**, a company incorporated under French law and authorised as a credit institution (*établissement de crédit*), having its registered office at 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under the number 414 886 226, whose representative is duly authorised for the purpose of this agreement (“**ESTER FINANCE**” or the “**Purchaser**”);

and

4. **DUNLOP TYRES LIMITED**, a company incorporated under the laws of England and Wales with company number 1792065 whose registered office is situated at Tyrefort, 88-89 Wingfoot Way, Birmingham B24 9HY, whose representative is duly authorised for the purpose of this agreement (the “**Centralising Unit**” or the “**Complementary Depositor**”).

**WHEREAS:**

- (A) GOODYEAR DUNLOP TIRES France S.A., (the “**French Seller**”), FULDA REIFEN GmbH & Co. KG, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co. KG, GOODYEAR GmbH & Co. KG, DUNLOP GmbH & Co. KG, GOODYEAR DUNLOP TIRES OE GmbH (the “**German Sellers**”), GOODYEAR DUNLOP TIRES Italia SPA (the “**Italian Seller**”), GOODYEAR DUNLOP TIRES España, S.A. (the “**Spanish Seller**”) and GOODYEAR DUNLOP TYRES UK Ltd (the “**UK Seller**”) are in the business of manufacturing and/or supplying tyres and activities relating thereto, and hold receivables over certain customers.
- (B) In order to provide financing to certain European subsidiaries of GOODYEAR, CALYON and NATIXIS have proposed to set up a securitisation transaction by way of the sale, on an ongoing basis, of existing and future trade receivables resulting from the ordinary business of the Sellers in Belgium, the United Kingdom, France, Germany, Italy and Spain (the “**Securitisation Transaction**”).
- (C) Pursuant to the Securitisation Transaction and with respect to the French Seller, the German Sellers (except GOODYEAR DUNLOP TIRES OE GmbH), the Spanish Seller and the UK Seller, existing and future trade receivables will be purchased by the Purchaser from those Sellers on an ongoing basis and in accordance with the receivables purchase agreements governed by French law, German law and/or English law (the “**Receivables Purchase Agreements**”). Notwithstanding the foregoing, GOODYEAR DUNLOP TIRES OE GmbH

will assign domestic receivables governed by German law and cross border receivables governed by French law, English law, Belgian law, German law, Italian law or Spanish law under the Receivables Purchase Agreement to which it is a party, in each case in accordance with the provisions of the law applicable to such receivable (and, as regards the receivables sold by the Spanish Seller, under French law).

- (D) The Purchaser shall fund the acquisition of Ongoing Purchasable Receivables, Remaining Purchasable Receivables, Refinanced Ongoing Purchasable Receivables and Refinanced Remaining Purchasable Receivables:
- (i) partly out of a senior deposit (the “**Senior Deposit**”) effected by the Depositor with the Purchaser in accordance with a master senior deposit agreement (the “**Master Senior Deposit Agreement**”); and
  - (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a subordinated deposit (the “**Subordinated Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master subordinated deposit agreement (the “**Master Subordinated Deposit Agreement**”) and (b) a complementary deposit (the “**Complementary Deposit**”) to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of the present master complementary deposit agreement (the “**Master Complementary Deposit Agreement**”).
- (E) The Purchaser and the Complementary Depositor are willing to define the terms and conditions according to which the Complementary Deposit shall be made by the Complementary Depositor with the Purchaser and shall be pledged as cash collateral (*affecté à titre de gage-espèces*) in favour of the Purchaser and have agreed to enter into this agreement under the terms and subject to the conditions set forth hereunder.

**IT IS HEREBY AGREED AS FOLLOWS:**

## **CHAPTER I INTERPRETATION**

### **1. DEFINITIONS**

Capitalised terms and expressions used in this Master Complementary Deposit Agreement shall have the same meaning as ascribed to such terms and expressions in the glossary set out in schedule 1 to the general master purchase agreement in relation to the securitization of trade receivables of certain subsidiaries of the Goodyear group dated 10 December 2004 as amended and restated on 23 May 2005, on 26 August 2005 and on or about the date hereof between, *inter alia*, Ester Finance Titrisation, Eurofactor, Calyon, Natixis, Dunlop Tyres Limited and the sellers listed therein (the “**General Master Purchase Agreement**”).

### **2. INTERPRETATION**

- (a) The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference

only, and shall not be used to interpret this Master Complementary Deposit Agreement.

(b) In this Master Complementary Deposit Agreement, except if the context calls for another interpretation:

- (i) references to “**Chapters**”, “**Articles**” and “**Schedules**” shall be construed as references to the chapters, articles and schedules of this Master Complementary Deposit Agreement and references to this Master Complementary Deposit Agreement include its recitals and Schedules;
- (ii) headings are for convenience only and shall not affect the interpretation of the this Master Complementary Deposit Agreement;
- (iii) words in the plural shall cover the singular and vice versa;
- (iv) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (v) reference to any person shall include its permitted assignee, transferee, successors or any person deriving title under or through it;
- (vi) references to a document shall mean this document, as amended, replaced by novation or varied from time to time;
- (vii) words appearing in this Master Complementary Deposit Agreement in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (viii) references to “**Parties**” must be interpreted as references to the parties to the present agreement, and to a “**Party**” shall refer to any of the Parties; and
- (ix) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

## CHAPTER II AMOUNT — PURPOSE — DURATION

### 3. PURPOSE OF THIS AGREEMENT

**3.1** The Complementary Depositor shall make a Complementary Deposit with the Purchaser in accordance with the terms of this Master Complementary Deposit Agreement.

**3.2** The Complementary Deposit made by the Complementary Depositor under this Master Complementary Deposit Agreement shall be applied and pledged as cash collateral (*affecté à titre de gage-espèces*) in favour of the Purchaser in accordance with and subject to the provisions of Article 10.



All repayments of principal to be made by the Purchaser to the Complementary Depositor in respect of the Complementary Deposit shall be made up to the amount and to the extent of the sums received by the Purchaser in respect of the Sold Receivables and Refinanced Sold Receivables in the manner described in Article 7. During the Amortisation Period, such repayments under the Complementary Deposit shall be subject to the order of priority of payments provided for under article 16 of the General Master Purchase Agreement.

The Complementary Depositor agrees that, for the purposes of repayment of the Complementary Deposit or payment of any sums otherwise due under this Master Subordinated Deposit Agreement, it will look solely to the amount of the sums received by the Purchaser under the General Master Purchase Agreement in respect of the Sold Receivables and under the Refinanced Receivables Purchase Agreement until the Program Expiry Date and that the Complementary Depositor shall not, in such capacity, otherwise take or pursue any judicial or other proceedings, or exercise any right or remedy that it might otherwise have, against the Purchaser or the Purchaser's assets save to the extent required for the recovery of such sums.

#### **4. DURATION OF THE AGREEMENT**

- 4.1** This Master Complementary Deposit Agreement shall enter into force on the Amendment Date and shall terminate on the Program Expiry Date.
- 4.2** The Complementary Deposit shall be repaid in the manner described in Article 7.

### **CHAPTER III AMOUNT OF THE COMPLEMENTARY DEPOSIT**

#### **5. AMOUNT OF THE COMPLEMENTARY DEPOSIT**

##### **5.1 Amount of the Complementary Deposit**

The Complementary Depositor shall make a Complementary Deposit with the Purchaser in accordance with the terms and conditions of this Master Complementary Deposit Agreement and within the limit of the Maximum Amount of the Complementary Deposit.

The Maximum Amount of the Complementary Deposit shall be automatically increased upon receipt by the Purchaser, the Calculation Agent and the Agent of any written request from the Centralising Unit provided that:

- (i) such request is received by the Purchaser, the Calculation Agent and the Agent during the Replenishment Period;
- (ii) such request is made no later than the Calculation Date preceding the third Intermediary Settlement Date following the Reference Funded Settlement Date referred to in article 13.3 (xx) of the General Master Purchase Agreement;
- (iii) such request indicates the amount of the new Maximum Amount of Complementary Deposit (the “**New Maximum Amount of Complementary Deposit**”); and

- (iv) such New Maximum Amount of Complementary Deposit is limited to the amount notified by the Agent to the Centralising Unit pursuant to article 13.3 (xx) of the General Master Purchaser Agreement, rounded up to the nearest whole multiple of €1,000,000.

The amount of the Complementary Deposit shall, at all times during the Replenishment Period, be calculated in accordance with the provisions of SCHEDULE 1.

During the Amortisation Period, the Complementary Deposit, as calculated as of the last Settlement Date of the Replenishment Period, shall be repaid until the Program Expiry Date, after full repayment of the Senior Deposit, subject to the order of priority set forth in Article 7.

The amount of the Complementary Deposit shall be calculated by the Agent on each Calculation Date.

## **5.2 Calculation and setting up of the Complementary Deposit**

### **5.2.1 Calculation**

- (a) At the latest on the Calculation Date preceding the Settlement Date of 30 July 2008, the Agent shall calculate, in accordance with the provisions of SCHEDULE 1, and notify forthwith to the Purchaser and the Complementary Depositor the amount of the Complementary Deposit to be made on the Settlement Date of 30 July 2008, together with the details of such calculation.
- (b) On any subsequent Calculation Date during the Replenishment Period, the Agent shall calculate, in accordance with the provisions of SCHEDULE 1, and notify forthwith to the Purchaser and the Complementary Depositor (i) the amount of the Complementary Deposit on the Settlement Date following such Calculation Date, and (ii) the amount of the Complementary Deposit on the preceding Settlement Date, together with the details of such calculation.

If the amount of the Complementary Deposit on the Settlement Date following such Calculation Date is higher than the amount of the Complementary Deposit on the Settlement Date preceding such Calculation Date, the Complementary Deposit shall be increased by the Euro amount of the difference (the **“Increase in the Complementary Deposit”**).

If the amount of the Complementary Deposit on the Settlement Date following such Calculation Date is lower than the amount of the Complementary Deposit on the Settlement Date preceding such Calculation Date, the Complementary Deposit shall be reduced by the Euro amount of the difference (the **“Reduction of the Complementary Deposit”**).

For the avoidance of doubt, any reference to the Complementary Deposit in the Transaction Documents shall be to the Complementary Deposit as it may be increased or reduced in accordance with this Article 5.2.1.

### **5.2.2 Setting up of the Complementary Deposit**

- (a) On the Settlement Date of 30 July 2008, before 9.00 a.m. (Paris time), the Complementary Deposit shall be made in Euro by the Complementary Depositor with the Purchaser, for the amount calculated in accordance with Article 5.2.1 (a)

and the terms and conditions of the third amendment to the General Master Purchase Agreement entered into on the Amendment Date.

- (b) On each Settlement Date following the Settlement Date of 30 July 2008, during the Replenishment Period, before 9.00 a.m. (Paris time):
- (i) the Complementary Depositor shall make a deposit in respect of the Complementary Deposit in Euro with the Purchaser for an amount corresponding to any Increase in the Complementary Deposit, as calculated in accordance with Article 5.2.1(b); or
  - (ii) the Purchaser shall repay a portion of the Complementary Deposit to the Complementary Depositor for an amount corresponding to any Reduction of the Complementary Deposit, as calculated in accordance with Article 5.2.1(b), subject to the provisions of Article 7.

The payments to be made pursuant to (a) and (b) above shall be effected in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement.

## **6. COMPLEMENTARY DEPOSIT FEE — NO INTEREST**

- 6.1** During the Replenishment Period only, the Purchaser shall pay a Complementary Deposit Fee to the Complementary Depositor on a monthly basis, as remuneration for its undertaking to make the Complementary Deposit pursuant to the terms and conditions of this Master Complementary Deposit Agreement. The amount of the Complementary Deposit Fee shall be calculated in accordance with SCHEDULE 2. The Complementary Deposit Fee shall be paid in arrears on each Funded Settlement Date (as from 30 July 2008).

The payment of each Complementary Deposit Fee shall be effected in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement.

- 6.2** The Purchaser and the Complementary Depositor hereby expressly agree that the Complementary Deposit shall not bear interest.

The Complementary Depositor acknowledges that it has entered into intercompany arrangements with the Sellers *inter alia* (the “**Intercompany Arrangements**”) pursuant to which the Complementary Depositor will receive from each Seller any necessary consideration for the making of the Complementary Deposit and will be indemnified in an appropriate manner by each Seller in accordance with its corporate interest and in respect of the losses incurred by the Complementary Depositor as a result of the Complementary Deposit made under this Master Complementary Deposit Agreement.

## **CHAPTER IV**

### **REPAYMENT — PAYMENTS**

#### **7. REPAYMENT**

##### **7.1 Principle**

The repayment of the Complementary Deposit, which shall be carried out until the Program Expiry Date, shall always be subject to (i) the provisions of Article 3.2 above and (ii) the order of priority of payments set forth under Article 7.2.

##### **7.2 Repayment of the Complementary Deposit**

7.2.1 On each Settlement Date during the Replenishment Period, the Purchaser shall repay, if applicable, the Complementary Deposit to the Complementary Depositor, for an amount equal to any Reduction of the Complementary Deposit as calculated under Article 5.2.1.

7.2.2 On each Settlement Date during the Amortisation Period, and until the Program Expiry Date, the Purchaser shall repay the Complementary Deposit to the Complementary Depositor, for an amount resulting from the allocations set out in article 16 of the General Master Purchase Agreement.

Such repayment shall be effected by means of the Distributed Amounts received by the Purchaser under the Sold Receivables and the Refinanced Sold Receivables until the Program Expiry Date and in accordance with the order of priority of payments as described in article 16 of the General Master Purchase Agreement.

In the event that, on the Program Expiry Date, the Distributed Amounts do not permit the repayment in full of any outstanding amount remaining unpaid under the Senior Deposit and under the Complementary Deposit, then, the Purchaser shall be irrevocably released from any repayment obligations hereunder.

7.3 In the event that during the Amortisation Period, the Centralising Unit, acting in the name and on behalf of the Sellers, repurchases all outstanding Sold Receivables from the Purchaser in accordance with article 4.3 of the General Master Purchase Agreement, the purchase price of such Sold Receivables shall be applied by the Purchaser to the repayment of the Complementary Deposit in accordance with the order provided for under article 16 of the General Master Purchase Agreement.

#### **8. PAYMENTS**

8.1 All payments to be made in accordance with this Master Complementary Deposit Agreement shall be made in Euro.

8.2 All repayments of principal and all payments falling due on a day which is not a Business Day shall instead fall due on the following Business Day.

8.3 At any time, until the Program Expiry Date, subject to article 6 of the General Master Purchase Agreement, the Purchaser shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Complementary Depositor in respect of the Complementary Deposit and (ii) any amount due and payable by the Complementary Depositor to the Purchaser under this Agreement or any of the Transaction Documents.

## CHAPTER V GENERAL PROVISIONS

### 9. REPRESENTATIONS AND WARRANTIES — UNDERTAKINGS

The Complementary Depositor hereby represents and warrants to the Purchaser, as follows:

- (a) it is a limited liability company duly incorporated and validly existing under the laws of England and Wales and has the capacity (i) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where not having such capacity would not be reasonably likely to result in a Material Adverse Effect, and (ii) to enter into and perform its obligations under this Master Complementary Deposit Agreement;
- (b) the execution of this Master Complementary Deposit Agreement does not require any authorisation with respect to the Complementary Depositor that has not already been obtained and communicated to the Purchaser, unless in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (c) the execution of this Master Complementary Deposit Agreement and the performance of the obligations under this Master Complementary Deposit Agreement do not contravene any of the provisions of the Complementary Depositor's articles and memorandum of association, agreements or undertakings to which it is a party or by which it is bound, and do not in any manner contravene the statutes and regulations applicable to it, except in each case, to the extent that no Material Adverse Effect would result from such breach;
- (d) the obligations arising out of this Master Complementary Deposit Agreement are binding on the Complementary Depositor and enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally;
- (e) in the event that, in accordance with the provisions of this Master Complementary Deposit Agreement and the General Master Purchase Agreement, the Complementary Deposit is not repaid in full on the Program Expiry Date, the Complementary Depositor shall incur any losses out of its own business, and the Purchaser shall not be liable, in any manner whatsoever, in this respect (except, as the case may be, as provided in article 4.2(b) of the General Master Purchase Agreement); and
- (f) the constitution of the Complementary Deposit as cash collateral (*affectation à titre de gage espèces*) in favour of the Purchaser, as set forth in Article 10 below, complies with the Complementary Depositor's corporate interest and does not exceed its financial capabilities ; the Complementary Depositor has entered into Intercompany Arrangements with the Sellers and GOODYEAR DUNLOP TIRES EUROPE B.V., pursuant to which the Complementary Depositor shall receive from each Seller any necessary consideration for making the Complementary Deposit and shall be indemnified as is appropriate by each Seller and GOODYEAR DUNLOP TIRES EUROPE B.V. in respect of any losses incurred by the Complementary Depositor as a result of the Complementary Deposit made under this Master Complementary Deposit Agreement.

## CHAPTER VI CASH COLLATERAL

### 10. APPLICATION OF THE COMPLEMENTARY DEPOSIT AS CASH COLLATERAL FOR THE BENEFIT OF THE PURCHASER

- 10.1** The Complementary Depositor hereby irrevocably agrees that the Complementary Deposit made under this Master Complementary Deposit Agreement shall, by virtue of this Article, be pledged and consequently applied as cash collateral (*affecté à titre de gage-espèces*) by the Complementary Depositor in favour of the Purchaser until the Program Expiry Date, to secure the payment of (i) any sum due to the Purchaser in respect of the Sold Receivables and Refinanced Sold Receivables, and (ii) any sum due to the Purchaser by any Seller, the Refinanced Seller or the Centralising Unit pursuant to the Transaction Documents; provided that no party shall be entitled to receive, as a result of such pledge, any amounts in addition to those that they are entitled to receive pursuant to article 16 of the General Master Purchase Agreement.

The Complementary Depositor expressly exempts the Purchaser from the obligation to keep the Complementary Deposit granted as cash collateral segregated from any other sums or any cash which belong(s) to the Purchaser.

The Complementary Depositor hereby irrevocably agrees that the pledge and application of the Complementary Deposit as cash collateral (*affectation du dépôt complémentaire à titre de gage-espèces*) in favour of the Purchaser shall transfer to the Purchaser the ownership of the sums received under the Complementary Deposit.

- 10.2** The cash collateral (*gage-espèces*) shall be deemed created and effective as of the date on which the Complementary Deposit is made with the Purchaser.
- 10.3** The obligation of the Purchaser to transfer back to the Complementary Depositor the Complementary Deposit (*créance en restitution*) shall automatically be reduced by any principal amount paid by the Purchaser to the Complementary Depositor in relation to the Complementary Deposit in accordance with Article 7 above.
- 10.4** The Complementary Depositor acknowledges that in accordance with the security referred to above, during the Amortisation Period, it may not in any case nor at any moment claim repayment of the Complementary Deposit other than within the limit of the Distributed Amounts received by the Purchaser, which are available for the application to the Complementary Depositor, in accordance with Article 7.

## CHAPTER VII MISCELLANEOUS

### 11. FEES AND EXPENSES

The Complementary Depositor, in the name and on behalf of the Sellers, shall bear, in particular, any costs and expenses incurred by ESTER FINANCE, in accordance with article 29 of the General Master Purchase Agreement.

## 12. SUBSTITUTION AND AGENCY

Each Party shall have the right to be assisted by, to appoint or to substitute for itself one or more third parties in the performance of certain tasks provided that:

- (a) such Party has given prior written notice of the exercise of that right to the other Parties;
- (b) such Party remains liable to the other Parties for the proper performance of those tasks and the relevant third party/parties has or have expressly renounced any right to any contractual claim against the other Parties;
- (c) the relevant third party/parties undertake(s) to comply with all obligations binding upon such Party under this Master Complementary Deposit Agreement; and
- (d) the substitution, assistance or agency shall not entail an increase in the costs incurred by the other Parties.

The Parties acknowledge however that, in order to avoid doubt, this Article shall not apply to the Complementary Depositor in respect of the making of the Complementary Deposit.

## 13. CONFIDENTIALITY

For the purposes to this Master Complementary Deposit Agreement, the Parties agree to be bound by the provisions relating to confidentiality as provided for under article 31 (*Confidentiality*) of the General Master Purchase Agreement.

## 14. TRANSFERABILITY OF THIS AGREEMENT

Except to the extent authorised in Article 12, this Master Complementary Deposit Agreement is concluded on the *intuitu personae* of the Parties to this Master Complementary Deposit Agreement. Therefore, none of the Parties may transfer this Master Complementary Deposit Agreement, or its rights and/or obligations hereunder, to any third party whatsoever, without the prior written consent of the other Parties.

## 15. NOTICES

- 15.1** Except as otherwise set forth in the Transaction Documents, all notices, requests or communications which must or may be made pursuant to this Master Complementary Deposit Agreement shall be by way of writing, mail or fax.
- 15.2** All notices, requests or communications to be made and all documents to be delivered from one Party to the other Party under the Master Complementary Deposit Agreement shall be made and delivered to the addressees referred to in schedule 7 to the General Master Purchase Agreement.
- 15.3** All notices, requests or communications made and all documents delivered under the Master Complementary Deposit Agreement shall only take effect upon the date of their receipt by its addressee.
- 15.4** Each of the Parties may at any time modify the addressee of the notices, requests or communications to be made and the documents to be delivered to it under the Master Complementary Deposit Agreement by sending to that effect a letter or fax to the other Party indicating the name of the new addressee.

- 15.5** The Parties agree that the Centralising Unit shall be responsible for receiving written notice on behalf of the Sellers, and that any notice given by the Purchaser to the Sellers and delivered to the Centralising Unit shall be deemed validly received by all of the Sellers upon receipt by the Centralising Unit.

## **16. EXERCISE OF RIGHTS**

- 16.1** All rights conferred on the Purchaser or the Complementary Depositor under this Master Complementary Deposit Agreement or by any other document delivered pursuant to or incidental to this Master Complementary Deposit Agreement or any Transaction Document, including rights conferred by law, shall be cumulative and may be exercised at any time.
- 16.2** The fact that the Purchaser or the Complementary Depositor does not exercise a right or delays in doing so shall in no way be construed as a waiver of that right. The exercise of any right or a partial exercise of such a right shall not prevent the Purchaser or the Complementary Depositor from exercising such a right again in the future, or from exercising any other right.

## **17. INDIVISIBILITY**

Each Party acknowledges that the General Master Purchase Agreement, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall form a single set of contractual rights and obligations and that, if the General Master Purchase Agreement, or the Master Subordinated Deposit Agreement becomes void or ceases to be effective and enforceable for any reason whatsoever, this Master Complementary Deposit Agreement shall also become void or cease to be effective and enforceable accordingly. Any payment already made by the Centralising Unit acting in the name and on behalf of the Sellers or on its own behalf to the Purchaser under this Master Complementary Deposit Agreement, the General Master Purchase Agreement, the Receivables Purchase Agreements and the Master Subordinated Deposit Agreement shall not be affected by such a nullity, ineffectiveness or unenforceability.

## **18. PARTIAL INVALIDITY**

If one or more provisions of this Master Complementary Deposit Agreement is or becomes invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any Party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such Party or Parties shall not, to the extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other Party or Parties hereto.

Such invalid, illegal or unenforceable provision shall be replaced by the Parties to such contract with a provision which reflects in so far as is reasonably possible the intentions of the invalid, illegal or unenforceable provision. Any fees, costs and expenses incurred by the Parties in connection with any amendment necessary or advisable pursuant to this Article shall be borne exclusively by the Complementary Depositor.



## 19. AMENDMENTS

No amendment to this Master Complementary Deposit Agreement may be made without the written consent of each other Party thereto and (a) unless the Rating Agencies (i) have been informed and provided by the Arranger with all necessary details they may require in respect of such contemplated amendment and (ii) have confirmed that the contemplated amendment will not entail a downgrading or withdrawal of the current ratings of any Notes issued by the Issuers, or that the contemplated amendment will reduce a downgrading or withdrawal which would otherwise occur, but for such amendment being made, and (b) each Issuer and each Liquidity Bank has given its prior written consent to such amendment (such consent not being unreasonably withheld or delayed).

## 20. LIMITED RECOURSE — NON PETITION

### 20.1 Limited Recourse

Each of the Agent, the Centralising Unit, the Complementary Depositor and the Calculation Agent agrees to limit its claims and recourse against ESTER FINANCE (including in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations hereunder) to the amount of the Available Funds on the relevant date.

### 20.2 Non Petition

Each of the Agent, the Centralising Unit, the Complementary Depositor and the Calculation Agent irrevocably and unconditionally undertakes and agrees:

- (a) not to exercise any rights of contractual or other recourse which it may have against ESTER FINANCE in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations under this Master Complementary Deposit Agreement, except in the event of the gross negligence (*faute lourde*) or wilful misconduct (*dol*) on the part of ESTER FINANCE; and
- (b) not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE, the purpose or effect of which is the appointment of a conciliator or an *ad hoc* agent, or the opening of receivership proceedings or insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) or any other similar proceedings.

## 21. GOVERNING LAW — JURISDICTION

**21.1** This Master Complementary Deposit Agreement shall be governed by French law.

**21.2** Any dispute as to the validity, interpretation, performance or any other matter arising out of this Master Complementary Deposit Agreement shall be subject to the jurisdiction of the competent courts of Paris (*Cour d'appel de Paris*). The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Made in Paris, on 23 July 2008 in four (4) originals by:

**ESTER FINANCE TITRISATION**

\_\_\_\_\_  
By: \_\_\_\_\_

**EUROFACTOR**  
*Agent*

\_\_\_\_\_  
By: \_\_\_\_\_

**DUNLOP TYRES LIMITED**  
*Complementary Depositor and Centralising Unit*

\_\_\_\_\_  
By: \_\_\_\_\_

**CALYON**  
*Calculation Agent*

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

**SCHEDULE 1**  
**CALCULATION OF THE AMOUNT OF THE COMPLEMENTARY DEPOSIT**

**1. DURING THE REPLENISHMENT PERIOD, UNLESS AN EARLY AMORTISATION EVENT DESCRIBED IN ARTICLE 13.3. OF THE GENERAL MASTER PURCHASE AGREEMENT HAS OCCURRED AND A PROCEDURE OF SEPARATION OF FLOWS UNDER THE COLLECTION ACCOUNT AGREEMENTS HAS BEEN IMPLEMENTED**

**1.1 Amount of the Complementary Deposit on the Initial Settlement Date**

Complementary Deposit =	Outstanding Amount of Sold Receivables;  + Outstanding Amount of Refinanced Sold Receivables  - Subordinated Deposit;  - Senior Deposit;  - Adjusted Collections calculated as of such date
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within the limit of the Maximum Amount of Complementary Deposit.

**1.2 Amount of the Complementary Deposit on each Funded Settlement Date**

Complementary Deposit =	Complementary Deposit as of the preceding Settlement Date  + Initial Purchase Price of Remaining Purchasable Receivables to be paid on such Settlement Date;  + Initial Purchase Price of Originated Ongoing Purchasable Receivables (i) paid during the Funded Settlement Date Reference Period by compensation with Collections for Set-off and (ii) to be paid on such Settlement Date;  + Initial Purchase Price of Refinanced Remaining Purchasable Receivables to be paid on such Settlement Date;  + Initial Purchase Price of Originated Refinanced Ongoing Purchasable Receivables paid during the Funded Settlement Date Reference Period by compensation with Collections for Set-off;  - Adjusted Collections calculated as of such Settlement Date;  - Refinanced Adjusted Collections calculated as of such Settlement Date;  - Amount of the Subordinated Deposit on such Settlement Date minus the amount of the
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Subordinated Deposit on the preceding Settlement Date;

- Amount of the Senior Deposit on such Settlement Date minus the amount of the Senior Deposit on the preceding Settlement Date;
- + Deferred Purchase Price calculated as of such Settlement Date
- + Refinanced Deferred Purchase Price calculated as of such Settlement Date
- + Subordinated Deposit Fee calculated as of such Settlement Date
- + Complementary Deposit Fee calculated as of such Settlement Date

within the limit of the Maximum Amount of Complementary Deposit.

### **1.3 Amount of the Complementary Deposit on each Intermediary Settlement Date**

Complementary Deposit =

Complementary Deposit as of the preceding Settlement Date

- + Initial Purchase Price of Originated Ongoing Purchasable Receivables paid during the Intermediary Settlement Date Reference Period by compensation with Collections for Set-off;
- + Initial Purchase Price of Refinanced Remaining Purchasable Receivables to be paid on such Settlement Date
- + Initial Purchase Price of Originated Refinanced Ongoing Purchasable Receivables paid during the Intermediary Settlement Date Reference Period by compensation with Collections for Set-off
- Adjusted Collections calculated as of such Settlement Date;
- Refinanced Adjusted Collections calculated as of such Settlement Date;
- Amount of the Subordinated Deposit on such Settlement Date minus the amount of the Subordinated Deposit on the preceding Settlement Date.

within the limit of the Maximum Amount of Complementary Deposit.

**2. DURING THE REPLENISHMENT PERIOD, IF AN EARLY AMORTISATION EVENT DESCRIBED IN ARTICLE 13.3. OF THE GENERAL MASTER PURCHASE AGREEMENT HAS OCCURRED AND A PROCEDURE OF SEPARATION OF FLOWS UNDER THE COLLECTION ACCOUNT AGREEMENTS HAS BEEN IMPLEMENTED**

**2.1 Amount of the Complementary Deposit on a Funded Settlement Date**

Complementary Deposit =

Complementary Deposit as of the preceding Settlement Date

- + Initial Purchase Price of Remaining Purchasable Receivables to be purchased on such Settlement Date;
- + Initial Purchase Price of Originated Ongoing Purchasable Receivables (i) paid during the Funded Settlement Date Reference Period by compensation with Collections for Set-off and (ii) to be paid on such Settlement Date;
- + Initial Purchase Price of Refinanced Remaining Purchasable Receivables to be paid on such Settlement Date;
- + Initial Purchase Price of Originated Refinanced Ongoing Purchasable Receivables paid during the Funded Settlement Date Reference Period by set-off with Collections for Set-off
- Adjusted Collections calculated as of such Settlement Date;
- Refinanced Adjusted Collections calculated as of such Settlement Date;
- Amount of the Subordinated Deposit on such Settlement Date minus the amount of the Subordinated Deposit on the preceding Settlement Date;
- Amount of the Senior Deposit on such Settlement Date minus the amount of the Senior Deposit on the preceding Settlement Date;
- any amount received on the Purchaser's Collection Accounts within the period between the Assessment Date preceding such Settlement Date and the preceding Assessment Date;
- + Deferred Purchase Price calculated as of such Settlement Date;
- + Refinanced Deferred Purchase Price calculated as of such Settlement Date

- + Subordinated Deposit Fee calculated as of such Settlement Date
- + Complementary Deposit Fee calculated as of such Settlement Date

within the limit of the Maximum Amount of Complementary Deposit.

## **2.2 Amount of the Complementary Deposit on an Intermediary Settlement Date**

Complementary Deposit =

Complementary Deposit as of the preceding Settlement Date

- + Initial Purchase Price of Originated Ongoing Purchasable Receivables paid during the Intermediary Settlement Date Reference Period by compensation with Collections for Set-off;
- + Initial Purchase Price of Refinanced Remaining Purchasable Receivables to be paid on such Settlement Date
- + Initial Purchase Price of Originated Refinanced Ongoing Purchasable Receivables paid during the Intermediary Settlement Date Reference Period by compensation with Collections for Set-off
- Adjusted Collections calculated as of such Settlement Date;
- Refinanced Adjusted Collections calculated as of such Settlement Date;
- amount of the Subordinated Deposit on such Settlement Date minus the amount of the Subordinated Deposit on the preceding Settlement Date;
- any amount received on the Purchaser's Collection Accounts within the period between the Assessment Date preceding such Settlement Date and the preceding Assessment Date.

within the limit of the Maximum Amount of Complementary Deposit.

**SCHEDULE 2**  
**CALCULATION OF THE COMPLEMENTARY DEPOSIT FEE**

On each Funded Settlement Date, during the Replenishment Period, the Complementary Deposit Fee due and payable shall be equal to the sum of:

the Complementary Deposit Fee Component calculated on the Calculation Date preceding such Funded Settlement Date and the Complementary Deposit Fee Component calculated on the Calculation Date preceding the last Intermediary Settlement Date, in accordance with schedule 18C of the General Master Purchase Agreement.

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES**  
**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**

(Dollars in millions)	6 Months Ended June 30, 2008	12 Months Ended December 31,				
	2008	2007	2006	2005	2004	2003
<b>EARNINGS</b>						
Pre-tax income (loss) from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees	\$ 415	\$ 455	\$ (212)	\$ 441	\$ 226	\$ (719)
Add:						
Amortization of previously capitalized interest	4	10	12	11	11	11
Distributed income of equity investees	3	3	5	7	3	3
Pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges	—	—	—	—	—	10
Total additions	7	13	17	18	14	24
Deduct:						
Capitalized interest	10	10	7	7	7	8
Minority interest in pre-tax income of consolidated subsidiaries with no fixed charges	9	14	8	12	11	11
Total deductions	19	24	15	19	18	19
<b>TOTAL EARNINGS (LOSS)</b>	<b>\$ 403</b>	<b>\$ 444</b>	<b>\$ (210)</b>	<b>\$ 440</b>	<b>\$ 222</b>	<b>\$ (714)</b>
<b>FIXED CHARGES</b>						
Interest expense	\$ 165	\$ 452	\$ 451	\$ 411	\$ 369	\$ 296
Capitalized interest	10	10	7	7	7	8
Amortization of debt discount, premium or expense	9	24	19	27	61	44
Interest portion of rental expense <sup>(1)</sup>	51	101	98	94	91	89
Proportionate share of fixed charges of investees accounted for by the equity method	1	1	—	—	—	7
<b>TOTAL FIXED CHARGES</b>	<b>\$ 236</b>	<b>\$ 588</b>	<b>\$ 575</b>	<b>\$ 539</b>	<b>\$ 528</b>	<b>\$ 444</b>
<b>TOTAL EARNINGS BEFORE FIXED CHARGES</b>	<b>\$ 639</b>	<b>\$ 1,032</b>	<b>\$ 365</b>	<b>\$ 979</b>	<b>\$ 750</b>	<b>\$ (270)</b>
<b>RATIO OF EARNINGS TO FIXED CHARGES</b>	<b>2.71</b>	<b>1.76</b>	<b>*</b>	<b>1.82</b>	<b>1.42</b>	<b>**</b>

\* Earnings for the year ended December 31, 2006 were inadequate to cover fixed charges. The coverage deficiency was \$210 million.

\*\* Earnings for the year ended December 31, 2003 were inadequate to cover fixed charges. The coverage deficiency was \$714 million.

(1) Interest portion of rental expense is estimated to equal 1/3 of such expense, which is considered a reasonable approximation of the interest factor.



July 24, 2008

The Goodyear Tire & Rubber Company  
1144 East Market Street  
Akron, OH 44316

Re: Consent of Bates White, LLC

Ladies and Gentlemen:

Bates White, LLC, an independent asbestos valuation firm, hereby consents to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-90786) and in the Registration Statements on Form S-8 (Nos. 333-150405, 333-141468, 333-129709, 333-126999, 333-126566, 333-126565, 333-123759, 333-97417, 333-62806, 333-62808, 333-29993, 33-31530, 33-17963, 2-79437 and 2-47905) of The Goodyear Tire & Rubber Company (the "Company") of the use of and references to (i) its name and (ii) its review of and reports concerning the Company's liability exposure for pending and estimable unasserted asbestos-related claims and receivables from probable insurance recoveries, included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008, to be filed with the Securities and Exchange Commission on or about July 31, 2008.

Sincerely,

/s/Charles E. Bates

Charles E. Bates, Ph.D.  
President and CEO

## CERTIFICATION

I, Robert J. Keegan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Goodyear Tire & Rubber Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2008

/s/ Robert J. Keegan

Robert J. Keegan  
President and Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, W. Mark Schmitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Goodyear Tire & Rubber Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2008

/s/ W. Mark Schmitz  
\_\_\_\_\_  
W. Mark Schmitz  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION****Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002****(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of The Goodyear Tire & Rubber Company, an Ohio corporation (the "Company"), hereby certifies with respect to the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2008 as filed with the Securities and Exchange Commission (the "10-Q Report") that to his knowledge:

- (1) the 10-Q Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 31, 2008

/s/ Robert J. Keegan

Robert J. Keegan,  
President and Chief Executive Officer  
of  
The Goodyear Tire & Rubber Company

Dated: July 31, 2008

/s/ W. Mark Schmitz

W. Mark Schmitz,  
Executive Vice President and Chief Financial Officer  
of  
The Goodyear Tire & Rubber Company