

COOPER TIRE & RUBBER CO

Form 11-K

June 24, 2014

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 11-K

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

For the Fiscal Year Ended December 31, 2013

Commission File No. 1-4329

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

(formerly the Thrift and Profit Sharing Plan)

COOPER TIRE & RUBBER COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

34-4297750
(I.R.S. employer
identification no.)

Lima and Western Avenues, Findlay, Ohio 45840

(Address of principal executive offices)

(Zip code)

(419) 423-1321

(Registrant's telephone number, including area code)

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

(formerly the Thrift and Profit Sharing Plan)

ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Cooper Tire & Rubber Spectrum Investment Savings Plan (formerly the Thrift and Profit Sharing Plan) for the fiscal year ended December 31, 2013, together with the report of Ernst & Young LLP, Independent Registered Public Accounting Firm, are attached to this Annual Report on Form 11-K. The Financial Statements and the notes thereto are presented in lieu of the financial statements required by items 1, 2 and 3 of Form 11-K and were prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974.

EXHIBITS:

(23) Consent of Independent Registered Public Accounting Firm

(99) Certification Pursuant To 18 U.S.C. § 1350

SIGNATURES

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

COOPER TIRE & RUBBER COMPANY

/s/ Bradley E. Hughes
BRADLEY E. HUGHES
Vice President, Chief Financial Officer and

Treasurer Plan Administrator

Date: June 24, 2014

Table of Contents

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

December 31, 2013 and 2012, and

Year Ended December 31, 2013

With Report of Independent Registered Public

Accounting Firm

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Financial Statements and Supplemental Schedule

December 31, 2013 and 2012, and

Year Ended December 31, 2013

Contents

<u>Report of Independent Registered Public Accounting Firm</u>	1
Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statement of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4
Supplemental Schedule	
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u>	16

Table of Contents

Report of Independent Registered Public Accounting Firm

The Benefit Plan Administrative Committee

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Cooper Tire & Rubber Company Spectrum Investment Savings Plan as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting, as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Cooper Tire & Rubber Company Spectrum Investment Savings Plan at December 31, 2013 and 2012, and the changes in its net assets available for benefits for the year ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Ernst & Young LLP

Toledo, Ohio

June 24, 2014

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Statements of Net Assets Available for Benefits

	December 31	
	2013	2012
Investments, at fair value:		
Pooled separate accounts	\$ 164,748,831	\$ 124,910,068
Common/collective trust fund	66,816,397	69,734,047
Common stock	37,768,574	47,908,936
	269,333,802	242,553,051
Receivables:		
Employer contributions	6,446,280	6,000,000
Notes receivable from participants	5,605,881	4,380,646
	12,052,161	10,380,646
Net assets reflecting investments, at fair value	281,385,963	252,933,697
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(404,418)	(1,601,393)
Net assets available for benefits	\$ 280,981,545	\$ 251,332,304

See accompanying notes.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2013

Additions

Contributions:

Participant	\$ 14,621,023
Employer	12,512,466
Participant rollover	422,886

Total contributions	27,556,375
---------------------	------------

Investment interest income and dividends	646,411
--	---------

Net appreciation in fair value of investments	27,782,364
---	------------

Interest income on notes receivable from participants	159,737
---	---------

Total additions	56,144,887
-----------------	------------

Deductions

Participant withdrawals	26,396,290
-------------------------	------------

Total deductions	26,396,290
------------------	------------

Net increase prior to transfers	29,748,597
---------------------------------	------------

Transfers to other plans	(99,356)
--------------------------	----------

Net assets available for benefits:

Beginning of year	251,332,304
-------------------	-------------

End of year	\$ 280,981,545
-------------	----------------

See accompanying notes.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements

December 31, 2013

1. Description of the Plan

The following description of Cooper Tire & Rubber Company Spectrum Investment Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement and summary plan description for a more complete description of the Plan's provisions.

General

The Plan, as restated and amended on January 1, 2010, is a defined contribution plan covering all salaried employees of the Cooper Tire & Rubber Company (the "Company" and the "Plan Administrator"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan automatically enrolls newly eligible participants into the plan using the 3% deferral rate as stated in the Plan document. Participants are automatically enrolled into the default Principal Lifetime fund that relates most closely to the participants' expected year of retirement. Participants can elect to opt out of automatic enrollment.

The Plan has established a trust agreement with Principal Financial Group (the "Trustee") to act as trustee and recordkeeper of the Plan's assets. The Trustee administers and invests the Plan's assets and income for the benefit of the Plan's participants. The Benefit Plan Administrative Committee is responsible for the overall administration of the Plan.

Contributions

Each year, participants may contribute up to 99% of their pretax or after-tax compensation. Participants may direct their contributions to any of the Plan's investment fund options. The Company contributes an employer match in the amount of 100% of the first 1% of participant contributions and 50% of participant contributions between 2% and 6% for a maximum employer match of 3.5%. The stated match is made on a per pay basis. The Company contributed \$6,066,186 and \$5,452,235 related to the employer match for the years ended December 31, 2013 and 2012, respectively. All Contributions are subject to certain limitations of the Internal Revenue Code (the "Code").

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions (continued)

The Company additionally makes contributions annually at the discretion of the Company's Board of Directors as determined in the Plan document. Participants may direct employer contributions immediately upon receipt. The Company made a contribution in March 2014 in the amount of \$6,446,280 for the year ended December 31, 2013. All contributions made by the Company are invested in the same manner as that of the participant's elective contributions. Effective March 3, 2014, the Plan no longer offered Cooper Tire & Rubber Company stock as an investment option. Existing investments in Company stock can remain in that option, but no further investments are allowed, including the transfer of funds from other investment options into Company stock as of March 3, 2014.

Vesting

The participants are immediately vested in their contributions plus actual earnings thereon. Participants are 100% vested in the Company's contributions plus actual earnings thereon after two years of service.

Participant Accounts

Individual accounts are maintained for each participant in the Plan. Each participant's account is credited with the participant's contributions, allocation of the Company's contributions, and plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Forfeitures

Upon termination of employment, participants forfeit their nonvested balances. Forfeiture balances are used to pay Plan Administrative expenses. After administrative expenses are paid, forfeitures are used to reduce future employer contributions. At December 31, 2013 and 2012, forfeited nonvested accounts held in the plan totaled \$70,726 and \$12,774, respectively.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Loans

Under the Plan, participants may borrow the lesser of 50% of the vested value of their account balance or \$50,000. The loan repayment schedule can be no longer than 60 months. A Participant may not have more than one loan outstanding at any point in time. Principal and interest is paid ratably through payroll deductions. The interest rate is established based on the prime rate. Interest rates as of December 31, 2013 and 2012 range from 3.25% to 7.75% and 3.25% to 8.25% respectively. If a participant terminates employment with the Company, the loan automatically is treated as a taxable distribution to the participant.

Participant Withdrawals

In the event of retirement, death, termination, permanent disability, or other separation from service, participants are entitled to receive an amount equal to the value of the vested interest in their accounts. Payments of benefits are taken in a lump-sum distribution. Under the Plan, the participants who are entitled to a benefit for the reasons outlined above will have their vested balance automatically distributed if their vested balance is less than \$1,000 and rolled over to an IRA account administered by the Trustee if their vested balance is greater than \$1,000 but less than \$5,000.

In the event of hardship, as defined by the Plan, participants may make a partial or full distribution of their accounts, subject to certain tax withholdings. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS) and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Termination of the Plan

Although it has not expressed any intent to do so, the Company has the right, under the Plan to discontinue contributions at any time, and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Company Stock Account

The Plan allows for investing in common stock of the Company through its Company Stock Account for participant and employer contributions. A dividend pass through election has been implemented for the participants who elect this investment type.

Any contributions made by the Company that are invested in Company stock grants the Company voting rights for all other matters as to which other shareholders may vote. Participants retain all voting rights over their shares of Company stock purchased through participant contributions. Participants are entitled to instruct the Trustee as to the tender or exchange of shares allocated to the Company Stock account. The Trustee is responsible for providing to participants information regarding voting and tendering at such time as other shareholders receive such information.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses of the Plan are paid for by current year forfeitures first. Any remaining expenses not covered by these forfeitures are paid for by the Company.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurement.

The Benefit Plan Administrative Committee is responsible for determining the Plan's valuation policies and analyzing information provided by the investment custodians and issuers that is used to determine the fair value of the Plan's investments.

The Plan has an investment in the Principal Stable Value Fund that invested in fully benefit-responsive investment contracts. This fund is recorded at fair value; however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Financial assets and liabilities whose fair values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access at the measurement date.

Level 2 Financial assets and liabilities whose fair values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets or liabilities in non-active markets;
- c. Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- d. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation of other means for substantially the full term of the asset or liability.

Level 3 Financial assets and liabilities whose fair values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own judgment about the assumptions that a market participant would use in pricing the asset or liability and are based on the best available information, some of which may be internally developed.

The level in the fair value hierarchy within which the fair value measurement is classified is based on the lowest level input that is significant to the fair value measure in its entirety.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan. There have been no changes in the valuation techniques and inputs used at December 31, 2013.

Pooled Separate Accounts and Common/Collective Trust Fund The fair value of the investments in these categories have been estimated using the net asset value (NAV) per share provided by the administrator of the fund. The NAV of these accounts is based on the value of underlying assets owned by the fund, minus liabilities divided by the units outstanding. The NAV is not a publicly quoted price in an active market. There are currently no redemption restrictions on these investments.

Common Stock Valued at the closing price reported on the active market on which the individual security is traded.

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

There were no transfers of Plan investments between Levels 1 and 2 during 2013 or 2012.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The following tables present the Plan's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012:

Description	December 31, 2013	Fair Value Measurements at December 31, 2013 Using Quoted Prices in		
		Active Markets for Identical	Significant Other Observable	Significant Unobservable
		Assets Level (1)	Inputs Level (2)	Inputs Level (3)
Pooled separate accounts:				
Balanced/asset allocation ^(a)	\$ 78,156,081	\$	\$ 78,156,081	\$
Fixed income ^(b)	11,604,691		11,604,691	
International equity ^(c)	10,929,648		10,929,648	
Large U.S. equity ^(d)	43,534,144		43,534,144	
Small/mid U.S. equity ^(e)	20,524,267		20,524,267	
Common stock	37,768,574	37,768,574		
Common/collective trust fund ^(f) :				
Short-term fixed income	66,816,397		66,816,397	
Total investment assets at fair value	\$ 269,333,802	\$ 37,768,574	\$ 231,565,228	\$

Description	December 31, 2012	Fair Value Measurements at December 31, 2012 Using Quoted Prices in		
		Active Markets for Identical	Significant Other Observable	Significant Unobservable
		Assets Level (1)	Inputs Level (2)	Inputs Level (3)
Pooled separate accounts:				
Balanced/asset allocation ^(a)	\$ 52,647,348	\$	\$ 52,647,348	\$
Fixed income ^(b)	17,356,299		17,356,299	
International equity ^(c)	10,045,582		10,045,582	
Large U.S. equity ^(d)	32,488,541		32,488,541	
Small/mid U.S. equity ^(e)	12,372,298		12,372,298	
Common stock	47,908,936	47,908,936		
Common/collective trust fund ^(f) :				
Short-term fixed income	69,734,047		69,734,047	
Total investment assets at fair value	\$ 242,553,051	\$ 47,908,936	\$ 194,644,115	\$

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

- (a) The pooled separate accounts in this category primarily seek a total return consisting of long-term growth of capital and current income. The fund operates as a target date fund. It invests in underlying Principal Funds, Inc. domestic and foreign equity, real asset and alternative investments, and fixed-income. Funds according to an asset allocation strategy designed for investors having a retirement investment goal close to the year in the fund's name. Participant-directed redemptions have a 30-day transfer restriction.
- (b) The investment option invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and US government and agency-backed securities. The fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in a diversified portfolio of fixed-income instruments of varying maturities, represented by forwards or derivatives such as options, futures contracts, or swap agreements, at the time of each purchase. It invests in securities denominated in foreign currencies and in securities of foreign issuers, including securities tied to emerging market countries. Participant-directed redemptions have a 30-day transfer restriction.
- (c) The pooled separate accounts in this category primarily invest at least 80% of assets in equity and debt securities of issuers from countries outside of the United States. Participant-directed redemptions have a 30-day transfer restriction.
- (d) The pooled separate accounts in this category primarily seek long-term growth of capital. The fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in companies with large market capitalizations at the time of each purchase. Participant-directed redemptions have a 30-day transfer restriction.
- (e) The pooled separate accounts in this category primarily invest in common stocks contained in both the Small Cap 1750 Index and the Russell 2000 Value Index. Participant-directed redemptions have a 30-day transfer restriction.
- (f) This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in synthetic GICs and a common collective trust. Participant-directed redemptions have no restrictions; however, the Plan is required to provide a 30-day redemption notice to liquidate its entire share in the fund. The fair value of the synthetic GICs has been estimated based on the fair value of the underlying investment contracts in the fund as reported by the issuer of the fund. The fair value differs from the contract value. As previously discussed in Note 2, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The fair value of the common/collective trust has been determined based on the fair value of the underlying investments of the fund as of the measurement date.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

4. Investments

During 2013, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	Net Realized and Unrealized Appreciation (Depreciation) in Fair Value of Investments
Common/collective trust fund	\$ 587,277
Pooled separate accounts	27,922,700
Commonstock	(727,613)
	\$ 27,782,364

Investments that represent 5% or more of the Plan net assets available for benefits are as follows:

	December 31	
	2013	2012
Cooper Tire & Rubber Company Common Stock	\$ 37,768,574	\$ 47,908,936
Principal Stable Value Fund (at contract value)**	66,411,979	68,132,654
Principal Lifetime 2020 Pooled Separate Account	19,738,658	13,288,737
Principal Lifetime 2030 Pooled Separate Account	26,996,064	18,201,347
Principal Lifetime 2040 Pooled Separate Account	17,175,907	*

* Investment is less than 5%.

** The fair value of the Plan's investment in the Principal Stable Value Fund was \$66,816,397 and \$69,734,047 at December 31, 2013 and 2012, respectively.

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

5. Income Tax Status

The Plan has received a determination letter from the IRS dated October 22, 2011, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan Administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

6. Related-Party Transactions

The Plan holds units of pooled separate accounts and a common/collective trust fund managed by the Trustee of the Plan. The Plan also invests in the common stock of the Plan Sponsor. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

During 2013, the Plan received \$646,411 in common stock dividends from the Company.

7. Risks and Uncertainties

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

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

Notes to Financial Statements (continued)

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	December 31	
	2013	2012
Net assets available for benefits per the financial statements	\$ 280,981,545	\$ 251,332,304
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	404,418	1,601,393
Net assets available for benefits per Form 5500	\$ 281,385,963	\$ 252,933,697

The following is a reconciliation of net additions to net assets available for benefits:

	Year Ended
	December 31, 2013
Net increase prior to transfers per the financial statements	\$ 29,748,597
Change in adjustments from contract value to fair value for fully benefit-responsive investment contracts	(1,196,975)
Net increase per Form 5500	\$ 28,551,622

Table of Contents

Supplemental Schedule

Table of Contents

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

EIN #34-4297750 Plan #005

Schedule H, Line 4i Schedule of Assets

(Held at End of Year)

December 31, 2013

Identity of Issue,	Description of Investment		
	Including Maturity Date,		
	Rate of Interest, Collateral,		
Borrower or Lessor	Par, or Maturity Value	Current Value	
Common Stock:			
*Cooper Tire & Rubber Company	1,571,072 shares, Cooper Tire & Rubber Company stock	\$ 37,768,574	
Pooled Separate Accounts:			
*Principal Life Insurance Company			
	1,243,307 shares, Lifetime 2030	26,996,064	Balanced
	919,935 shares, Lifetime 2020	19,738,658	Balanced
	772,585 shares, Lifetime 2040	17,175,907	Balanced
	661,308 shares, Large Cap Value III	12,498,561	Large US
	490,723 shares, Equity Income	10,432,780	Large US
	102,538 shares, Large Cap S&P 500 Index	8,541,601	Large US
	372,340 shares, Lifetime 2050	8,050,043	Balanced
	168,205 shares, Large Cap Growth	6,742,314	Large US
	280,882 shares, Mid Cap Growth III	6,256,759	Small Mid US
	234,365 shares, Lifetime 2010	4,626,622	Balanced
	110,405 shares, International I	4,572,449	International
	108,426 shares, Small Cap S&P 600 Index	4,531,986	Small Mid US
	107,809 shares, Mid Cap S&P 400 Index	4,214,822	Small Mid US
	54,056 shares, Diversified International	4,209,941	International
	316,032 shares, Core Plus Bond I	4,208,597	Fixed
	5,179 shares, U.S. Property	3,751,789	Fixed
	208,424 shares, Large Cap Growth I	3,661,527	Large US
	3,408 shares, Bond and Mortgage	3,644,305	Fixed
	47,135 shares, Mid Cap Value I	2,616,887	Small Mid US
	35,762 shares, International Emerging Markets	2,147,258	International
	105,872 shares, Large Cap Growth II	1,657,361	Large US
	47,737 shares, Mid Cap Growth	1,575,829	Small Mid US
	86,458 shares, Lifetime STR INC	1,568,787	Balanced
	39,490 shares, Real Estate	1,327,984	Small Mid US
Common/Collective Trust Fund:			
*Principal Life Insurance Company	3,569,705 shares, Principal Stable Value Fund	66,816,397	
*Participant loans	Varying maturity dates with interest rates ranging from 3.25% to 7.75%	5,605,881	

\$ 274,939,683

*Indicates party-in-interest to the Plan.